

# The Effect of Market Orientation and Entrepreneurial Orientation toward Learning Orientation, Innovation, Competitive Advantages and Marketing Performance

Pardi<sup>1\*</sup>, Suharyono<sup>2</sup>, Suyadi Imam<sup>2</sup>, Arifin Zainul<sup>2</sup>

1. Department of Public Administration, Faculty of Social and Political, Tanjungpura University, Pontianak, West Borneo, Indonesia

2. Department of Business Administration, Faculty of Administration Science, Brawijaya University, Malang, East Java, Indonesia

\*E-mail of corresponding author: [pardifisip@gmail.com](mailto:pardifisip@gmail.com)

## Abstract

The purpose of this study is to examine and explain the effect of a) market orientation towards learning orientation, innovation and marketing performance, b) learning orientation towards innovation, competitive advantages, and marketing performance, c) entrepreneurial orientation towards learning orientation, competitive advantage, and marketing performance, d) innovation to competitive advantages, and marketing performance, and e) competitive advantages to marketing performance. This type of study is explanatory research and data collection is done through direct survey guided by the enumerators. During the survey, questionnaires are distributed randomly to 97 owners and managers of SMEs batik in Central Java, Indonesia as the respondents of the study. Furthermore, the data were analyzed by variance-based SEM analysis employing the GSCA software. The results of this study indicate that a) market orientation does not significantly affect to marketing performance, b) market orientation significantly affects learning orientation, c) market orientation significantly affects innovation, d) learning orientation significantly affects innovation, e) learning orientation significantly affects competitive advantages, f) learning orientation does not significantly affect marketing performance, g) entrepreneurial orientation significantly affects learning orientation, h) entrepreneurial orientation towards competitive advantage, i) entrepreneurial orientation does not significantly affect marketing performance, j) innovation significantly affects competitive advantages, k) marketing performance significantly affects innovation, and l) competitive advantage significantly affects marketing performance. In addition, some mediation effects are also found a) innovation mediates market orientation and marketing performance, and mediates market orientation and competitive advantages, b) learning orientation mediates market orientation and marketing performance, and mediates market orientation and innovation, c) learning orientation mediates entrepreneurial orientation and marketing performance, and mediates entrepreneurial orientation and competitive advantages, and d) competitive advantages mediate entrepreneurial orientation and marketing performance.

**Keywords:** market orientation, entrepreneurial orientation, learning orientation, innovation, competitive advantages, marketing performance, SMEs Batik

## 1. Introduction

SMEs develops rapidly in Indonesia happens, despite the economic crisis resulted in many losses in the businesses sector. However, in the next few years after the crisis, there has been a significant development, both in the number of units, employment and the amount of output produced by SMEs. SMEs in Indonesia have a very important role, especially in terms of reducing unemployment. SMEs are also able to absorb more labor of approximately 97.22% of the total number of productive labor available in 2011 which is 102,241,486 people, much larger than the ability of large scale businesses to create jobs, which is only 2.78%. In terms of its contribution to GDP, SMEs group contributes 57.11% of the total GDP, which is slightly larger than the bigger business groups that only contribute 42.89% of the total GDP. The total amount of money contributed by these two sectors is equal to 6,068,762.8 billion dollars (Source : The Ministry of Cooperatives and SMEs, 2012). This means that SMEs can improve the welfare of the society. Owners of this business group employ people from the surrounding community, related to cheaper labor cost and emotional attachment between them.

One type of SMEs that is growing in Indonesia is Batik SMEs. The acknowledgement by UNESCO on batik as a world heritage on October 2, 2009, becomes a challenge for Indonesia to continue to preserve batik so as to increase the national and regional economy, as well as improve the welfare of batik artisans themselves. This acknowledgement by UNESCO helps to improve the demand for batik, and this also helps to improve the welfare of the industry as a whole.

**Table 1. National export of Batik Indonesia in 2012**

Year	Eksport Total (US \$)	Growth (US\$)	Mean of growth (%)
2007	587.800.348	-	7,5%
2008	648.987.434	61.187.086	
2009	555.955.367	-93.032.067	
2010	673.907.733	117.952.366	
2011	761.106.005	87.198.272	

Source : Ministry of Industry in the Republic of Indonesia

Table 1 is shows the level of national batik export increases significantly, especially after UNESCO acknowledgement. The demand from abroad on batik products has begun to increase. The increasing trend on national batik export is clearly visible to occur after 2009. In 2010, there was significant jump in the amount of batik export value of US\$ 117,952,366 and in 2011 of US\$ 87,198,272. The batik export value in Central Java Province in 2011 contributes approximately 30% of the total national exports.

Although the current national batik industry has gained better position, we need to keep in mind that the batik industry is currently facing various problems including marketing. Batik industry in Indonesia still has not developed marketing focus to elevate Indonesian batik as a high international fashion item. Thus, Indonesian batik is still often regarded as a traditional fashion known only in limited environment, when in fact it has been famous worldwide. Another problem is related to the intellectual property rights of Indonesian batik, in which it has been widely recognized explicitly by the batik industry of other countries as their work. The greater challenge of national batik industry today is the implementation of free trade between the Asean and China or the ASEAN and China Free Trade Area (ACFTA) which started in 2010. The free trade demands national batik production to be able to compete with batik products from other countries.

The dynamics of the current market tastes are constantly changing, demanding innovations to match the tastes of the market. Innovation is one alternative for organizations to thrive and survive in a dynamic and volatile environment. Companies that do not innovate will be left by their customers. Innovation also contributes to the competitive position of a company that will eventually bring the company to achieve competitive advantage (Hult and Ketchen, 2001).

The studies examining the effect of market orientation on innovation and performance have been done by previous researchers such as Jaworski and Kohli(2000), Slater and Narver(1998), Hurley and Hult(1998), Gima(1996), and Slater and Narver(1995). In general, the studies focus on large-scale enterprises. This raises doubts as to whether the type of influence of market orientation on innovation in large companies can be generalized to small companies, because innovation in small firms is different from innovation in large firms (Verhess and Meulenberg, 2004). Therefore, studies that examine the influence of market orientation on innovation in small and medium enterprises are very important as innovation in small businesses is a source of competitive advantages.

Keskin (2006) reveals that there is still a gap in empirical research that examines the influence of market orientation and learning orientation towards integrated innovation in the context of small and medium enterprises. Results of previous studies show a strong influence of market orientation on performance (Luo Shi, 2003; Kirca 2005). Kirca's research results (2005) state that market orientation has an influence on the performance of the organization as a whole. However, studies that examine the influence of market orientation on organizational performance using marketing performance indicators such as market share, sales growth, customer satisfaction and customer loyalty still give contradictory results.

The study examining the effect of learning orientation on performance is conducted by Calantone (2002), on 187 R&D businesses, and the findings indicate that learning orientation has a significant impact on innovation and corporate performance. Another study that examines the effect of entrepreneurial orientation on performance has been conducted by Rhee (2010) to 354 SMEs in South Korean technology services, and findings indicate that entrepreneurial orientation affects firm performance. The results of this study are also supported by Li (2011), who conducts a study on 165 companies in China, and the findings indicate that entrepreneurial orientation has a direct impact on corporate performance.

The competitive advantages of an organization have now been switched to the knowledge era. Knowledge is considered as the only capital that will continue to increase when it is used, rather than reduced (Walters et al., 2002). Companies mastering knowledge will have more competitive advantages than their competitors. This present study is the development of previous studies. The novelty of this study is the addition of a variable in terms of competitive advantages as a result of innovation. With the development, this study is expected to explain comprehensively about the effect of market and entrepreneurial orientation towards learning orientation, innovation, competitive advantages and marketing performance in SMEs Batik in Central Java province.

## **2. Literature Review, Research Hypotheses, and Research Framework.**

### **2.1.1. The Relationship of Market Orientation, Learning Orientation and Performance**

In the organizational behavior literature, the question is on how organizations learn and how they change what they have learned through their own capabilities into a competitive advantage (Bell et al., 2002). As stated, there are similarities between learning orientation and market orientation. However, researchers have not reached consensus on which variables become the cause or effect of other variables (Santos-Vijande et al., 2005). On the other hand, Bell et al. (2002) state that market orientation and learning orientation basically share same norms and values as their basis. Thus, they need to be analyzed together. The answer to the question on how companies develop market-oriented perspective and learning orientation is considered as an individual learning process, and shall be discussed as creation, interpretation and use of information. As with individuals, organizations must find what they need to continue to learn, and how they need to learn from the market at the same time (Day, 1994b). Market orientation and learning orientation is a process that is effective to improve the performance of companies.

Several empirical studies have examined the relationship between these three variables. Baker and Sinkula (1999a) conduct a study finding that market orientation and learning orientation have an impact on performance. Market orientation has a greater impact if it is mediated by learning orientation. Similar findings are noted by Farrell and Oczkowski, E (2002) on the dominant effect of learning orientation on performance. Luo and Shi (2003) state that market orientation can improve performance. Based on the review, the following research hypotheses are developed:

**H<sub>1</sub>** : Market orientation significantly affects marketing performance.

**H<sub>2</sub>** : Market orientation significantly affects learning orientation.

### **2.1.2. The Relationships of Market Orientation, Innovation and Performance**

Porter (1990), one of the leading pioneers to discuss philosophy in regard to the concept of marketing in the fields of business administration, asserts that a company has two basic functions, namely marketing and innovation. In this context, there is a tendency towards the integration of market orientation and innovation (Olavarrieta and Friedmann, 2008). Market orientation and innovation are displayed as two basic concepts related to strategic orientation (Berthon et al., 1999). It is emphasized that the two concepts should exist in an organization, innovation as the output of the organization (Zhou et al., 2005; Laforet, 2008). Market orientation essentially requires innovative measures in accordance with market conditions and consumer expectations. Therefore, market orientation is seen as an innovative action, and then the two concepts should be approached together. The most important item in terms of marketing is meeting the needs of customers which continue to decrease and this can be accomplished through innovative practices in the creation of new goods and services. Marketing and innovation are discussed in marketing literature, particularly in terms of product innovation. Research conducted by Lawton and Parasuraman (1980) found no significant relationship between marketing and product innovation approach. While other researchers such as Gima (1996), Xuereb (1997), state that the two have a relationship and conclude that there is a significant positive relationship between market orientation and product innovation.

The impact of market orientation and innovation, in the marketing literature, toward performance is clearly accepted (Theoharakis and Hooley, 2008). Market orientation also has a positive impact on competitive advantage that is reflected from the innovation and market differentiation (Zhou et al., 2009). Based on the review, the following research hypothesis is developed:

**H<sub>3</sub>**: Market orientation significantly affects innovation.

### **2.1.3. The Relationship of Learning Orientation and Innovation**

Innovation is the transformation of knowledge into economic action. Innovation, regarded as a learning process based on different sources and adaptation, is a basic prerequisite for economic growth (Tang, 2006; Correa, 2007). It is assumed that learning orientation plays a key role in defining innovation. One of the definitions given in the literature for learning orientation is that it can improve quality, strengthen customer-supplier relationships, facilitate the implementation of business strategies, and deliver sustainable profitability (Mills and Freisen, 1992). Sustainable profitability is an indication of the performance and learning from the past and from experience. Learning can be realized with the right information retrieval and appropriate use. The result is a form of innovation that is obtained through the use of appropriate knowledge (Padmore, 1998). In this context, the company develops a strategy related to learning and serves as the basis for innovation.

Greenhalgh et al. (2004) mention in their study on the acceptance of innovation in the service sector, that companies have used the information for innovation in organizations. A fundamental goal of innovation in companies is to create new information and instruments, which will ensure the development of organizations; many scholars argue that organization's performance is closely related to organizational learning (Correa, 2007). One of the issues discussed in the literature is the need to develop different types of learning methods for different types of innovation. Learning and innovation can be discussed together but in different structures. As mentioned by Stata (1989), the basic problem is not on the company's inability to create innovation or successful

innovative efforts, but the inability of innovation management. Innovation is the term used for the manufacture, acquisition and adaptation of new ideas, processes, goods or services, because it is in the cycle; learning orientation and innovation are deemed closely related. Among the values necessary for organizational innovation is the use of information and continuous learning approaches. Wong and Chin (2007) prove that there is a strong correlation between the two concepts. The impact of learning orientation on competitive advantages and organizational performance is also expressed by Shahid et al. (1997), stating that innovation process and innovation has an impact on competitive advantages and performance.

The relationship between learning and innovation is that learning lays the foundation for innovation, because the dependence of an organization to learn can improve innovation capacity, while at the same time will affect the company's overall performance. Based on thereview, the following research hypotheses are developed:

**H<sub>4</sub>** : Learning Orientation significantly affects innovation

**H<sub>5</sub>**: Learning Orientation significantly affects competitive advantages

**H<sub>6</sub>**: Learning Orientation significantly affects marketing performance

#### **2.1.4. The Relationship Entrepreneurialof Orientation, Learning Orientation, and Innovation**

Hurley and Hult (1998) suggest that market orientation and entrepreneurial orientation requires learning. As also noted by Hurley et al.(2003), entrepreneurial orientation is one of the important factors to guide the level of innovation. Calantone (2002) also argues that learning orientation has a positive impact on the level of innovation. The higher the level of learning orientation, the stronger its influence on innovation will be. In addition, learning orientation plays a role as a mediator in the relationship between market orientation and the level of innovation. Jaworski and Kohli (1993) argue that market orientation tends to lead to the level of innovation. Similar point is also made by Liu (2002) who concludes that learning orientation is relevant to build new knowledge and it is important to the level of innovation and business performance. The same idea has been conveyed by Baker and Sinkula (2009), stating that entrepreneurial orientation will lead to an increase in the level of innovation and corporate performance. Wu et al.(2008) have found that entrepreneurial orientation has a positive impact on innovation and corporate performance. Based on thereview, the following research hypotheses are developed:

**H<sub>7</sub>** :Entrepreneurial orientation significantly affects learning orientation.

**H<sub>8</sub>** :Entrepreneurial orientation significantly affects competitive advantages.

**H<sub>9</sub>** : Entrepreneurial orientation significantly affects marketing performance.

#### **2.1.5. The Relationship of Innovation and Competitive Advantages**

According to the resource-based view, firms in an industry may be very heterogeneous with respect to the strategic resources they have. There are four indicators to measure the potential of a company's resources to generate sustainable competitive advantages, namely to have value, to be rare, to be imitability, and to be non-substitution. If companies want to acquire valuable and scarce resources, they can utilize resources strategy to create values that cannot be duplicated by other companies to gain sustainable competitive advantages. Company resources include physical assets, capacity, organizational culture, patents, trademarks, information, and knowledge (Daft, 1983). If the resourcesare to have value, to be rare, to be imitability, and to be non-substitution, these assets will help the company to innovate and to use it to gain competitive advantages (Porter, 1981). Innovation is a major source of competitive advantages in the era of knowledge economy (Daghfous, 2004; Prajogo and Ahmed, 2006). Innovation can help companies to gan "isolation mechanism" that protects the advantages and benefits they have (Lavie, 2006). Innovation enables companies to create and deploy their ability to support long-term business performance (Teece, 2007). Successful innovation can make it more difficult for external imitation and allow the company to maintain their competitive advantages better (Morales et al., 2007). Therefore, innovation can affect competitive advantages and performance (Wu et al., 2008; Suliyanto, 2011; and Wingwon, 2012). The hypotheses proposed in this study are:

**H<sub>10</sub>** : Innovation significantly affects competitive advantages.

**H<sub>11</sub>**: Innovation significantly affects marketing performance.

#### **2.1.6. Competitive Advantages and Marketing Perfomance**

The positive effect of competitive advantages on performance has been proven by various studies. The company's competitive advantages can be created by providing the means to outperform its competitors and also by paying attention to external factors. Zhou et al, (2009) conduct a study in the United States. The research results show that competitive advantages consist of two constructs, as adopted from Miller (1997), namely innovation differentiation advantages and market differentiation advantages, both are able to provide a positive impact on marketing performance. Raduan (2009) states competitive advantagesare able to positively mediate the influence of resources toward performance. Based on the literature review and the results of empirical research the above, the following research hypotheses are developed:

**H<sub>12</sub>** : Competitive advantages significantly affect marketing performance.

To explain the influence between the variables in this study, shown in the research framework in Figure 1.

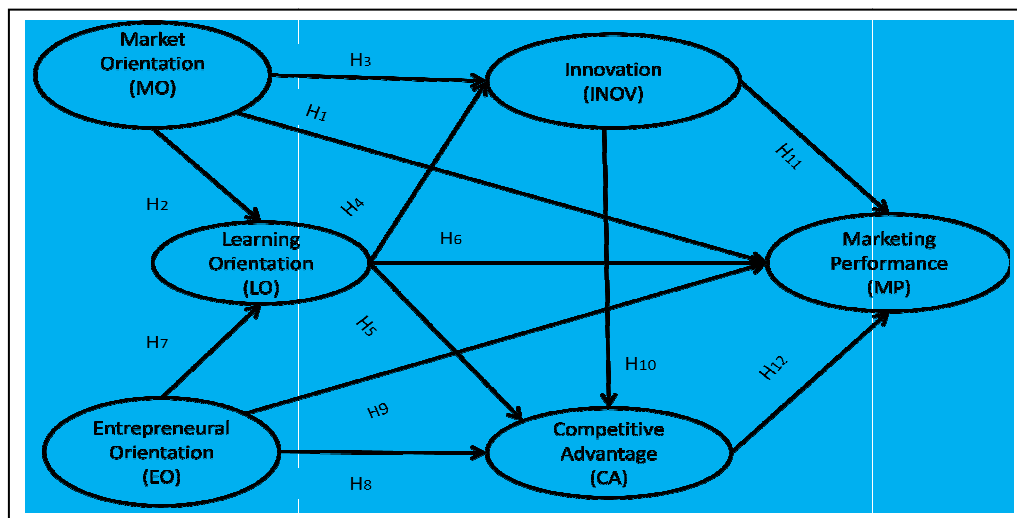


Figure 1. Research Framework

### 3. Data Collection.

The data used in this study was primary data. Primary data is the data obtained from respondents directly, collected through the survey by using specific data collection technique (Sekaran, 2006). The primary data in this study was the data obtained directly from the owner-managers of small and medium-sized Batik enterprises in Central Java as research respondents, and was collected through questionnaires.

Data was collected through a survey method. The survey was conducted on 97 respondents. Closed questions were measured using a Likert scale (five-point scale), a scale used to measure the perceptions, attitudes, one's opinion about social phenomena. The process of data collection by questionnaire was conducted with enumerators.

### 4. Data Analysis.

Inferential statistical analysis was aimed to test the research hypothesis. The researchers wanted to test the path analysis used a SEM analysis (Structural Equation Modeling). SEM is a combination of analytical tools of confirmatory factor analysis (factor analysis) and path analysis. SEM analysis is also able to test models of Goodness of Fit. The tool for analyzing structural models in this study was the General Structured Component Analysis software / GSCA (Hwang and Takane, 2004.) According to Ghazali (2008), the approach used was Component-Based or Based Variance.

### 5. Results and Discussion

#### 5.1. Measurement Outer Model

Measurement outer model is done by looking at the Convergent Validity, discriminant validity, composite reliability and average variance extracted (AVE). This latent variable measurement model indicates whether any component or indicator is capable of measuring the latent variables measured by the composite reliability and convergent validity. The results of convergent validity showed that the loading factor value of each indicator of each variable was above the required 0.70. Validity test can also be performed using discriminant validity to measure the Average Variance Extracted (AVE) and the square root of AVE. To assess the discriminant validity is by comparing the square root of AVE values with the correlation among variables. If the value of square root of AVE is greater than the value of the correlation among variables, then the variable has a good value of discriminant validity. Based on test results to see the value of the outer model through AVE, square roots of AVE, and the Alpha, it can be concluded that all the indicators were valid and reliable to measure latent variables.

#### 5.2. Hypothesis Testing ( Measurement Inner Model)

##### 5.2.1. The Effect of Market Orientation toward Marketing Performance

Table 2 shows the effect of market orientation on marketing performance negative with coefficients (b; -0128, CR: 1.18, p value; 0.240). The decision is to reject the first hypothesis (H<sub>1</sub>) which states that "market orientation significantly affects marketing performance", meaning that market orientation did not significantly affect the performance of marketing. This result contradicts with several previous studies, which generally confirm the significant positive effect of market orientation on business performance (Eris and Ozmen, 2012, Luo Shi, 2003, Deshpande and Farley, 1998, Slater and Narver, 1996, Jaworski and Kohli 1993). Market orientation in SMEs



Batik has no significant effect on the performance of marketing. This is due to that the fact that the high market orientation in SMEs Batik is short-term orientation, simply to obtain funds for the survival of the business. The money they get will be spent again to produce batik cloth booked by the customers. The production process is based on order system, in which they run the business based on the orders made by their customers with whom they work as distributors. Such a cycle lasts from time to time so there is no significant increase in their performance. In addition, the owners and managers do not think for radical innovations, they just do the incremental innovation such as only doing a little alteration of the existing motives. This does not improve performance significantly.

### 5.2.2. The Effect of Market Orientation on Learning Orientation

Based on Table 2, it can be seen that market orientation has a positive effect on learning orientation, with coefficients (b: 0.332 CR: 3.35, p value: 0.001). The decision is to accept H<sub>2</sub>, and thus the second hypothesis (H<sub>2</sub>) which states that "market orientation significantly affects learning orientation" must be accepted, meaning that market orientation has a positive influence on learning orientation in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of market orientation to learning orientation (Luo Shi, 2003, Keskin 2006, Farrell 2000, Slater and Narver 1995).

### 5.2.3. The Effect of Market Orientation on Innovation

The influence of market orientation on innovation is positive with coefficients (b: 0.381: CR: 3.32, p value: 0.001). The decision is to accept H<sub>3</sub>, and thus the third hypothesis (H<sub>3</sub>) which states that "market orientation significantly affects innovation" must be accepted, meaning that market orientation has a positive influence on innovation in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of market orientation to innovation (Han et al., 1998; Lado, 2001; Agarwal et al., 2003; Mavondo et al., 2005; and Tajeddini et al., 2006).

**Table 2. The Results of Hypothesis Testing (Measurement Inner Model)**

Hypotheses	Paths	Path Coefficients				Decision
		Estimate (beta)	SE	CR	P - value	
H <sub>1</sub>	MO->MP	-0.128	0.109	1.18	0.2409	Not supported
H <sub>2</sub>	MO->LO	0.332	0.099	3.35*	0.0012	supported
H <sub>3</sub>	MO->INOV	0.381	0.115	3.32*	0.0013	supported
H <sub>4</sub>	LO->INOV	0.395	0.109	3.61*	0.0005	supported
H <sub>5</sub>	LO->CA	0.331	0.109	3.04*	0.0030	supported
H <sub>6</sub>	LO->MP	0.071	0.127	0.56	0.5768	Not supported
H <sub>7</sub>	EO->LO	0.512	0.093	5.48*	0.0000	supported
H <sub>8</sub>	EO->CA	0.209	0.090	2.32*	0.0225	supported
H <sub>9</sub>	EO->MP	0.149	0.111	1.34	0.1834	Not supported
H <sub>10</sub>	INOV->CA	0.404	0.112	3.6*	0.0005	supported
H <sub>11</sub>	INOV->MP	0.460	0.092	5.01*	0.0000	supported
H <sub>12</sub>	CA->MP	0.266	0.120	2.21*	0.0295	supported

CR\* = significant at .05 level

### 5.2.4. The Effect of Learning Orientation on Innovation

Based on Table 2, it can be seen that learning orientation has a positive effect on innovation, with coefficients (b: 0.395, CR: 3.61, p value: 0.000). The decision is to accept H<sub>4</sub>, and thus the fourth hypothesis (H<sub>4</sub>) which states that "learning orientation significantly affects innovation" must be accepted, meaning that learning orientation has a positive influence on innovation in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of learning orientation to innovation (Calantone, 2002; Flint 2005; Panayides 2005; and Aragon et al., 2007).

### 5.2.5. The Effect of Learning Orientation on Competitive Advantages

The evaluation results of the inner model in Table 2 indicate that the effect of learning orientation on competitive advantage is positive and significant with coefficients (b: 0.334, CR: 3.31, p value: 0.003). The decision is to accept H<sub>5</sub>, and thus the fifth hypothesis (H<sub>5</sub>) which states that "learning orientation significantly affects competitive advantage" must be accepted, meaning that learning orientation has significant positive effect on competitive advantages in SMEs Batik. This result is a new finding, as the contribution of the research.

### 5.2.6. The Effect of Learning Orientation on Marketing Performance

Table 2 shows the effect of learning orientation on marketing performance negative with coefficients (b: 0.071, CR: 0.56, p value: 0.546). The decision is to reject the sixth hypothesis (H<sub>6</sub>) which states that "learning orientation significantly affects marketing performance", meaning that learning orientation did not significantly affect the performance of marketing. This result contradicts with several previous studies, which generally confirm the significant positive effect of learning orientation on marketing performance (Aragon et al., 2007;

Baker and Sinkula, 1999b; Kumar, 2002; Farrell, 2002). Learning orientation is a commitment of the owners and managers of SMEs Batik to continue doing continuous learning, and a commitment to the principle of open information; and this is the principle which is not comprehensively owned by the owners and managers of SMEs Batik. This indication can be seen from the descriptive analysis that there are 45 (46.4%) of the respondents who still do not have a strong commitment to achieving corporate objectives, and approximately 35 (36.1%) of the respondents have not put the principle of openness as the highest value in the company, and as many as 37 (38.1%) of the respondents do not believe that learning is an investment. This is why learning orientation has not brought significant influence on marketing performance in SMEs Batik.

#### **5.2.7. The Effect of Entrepreneurial Orientation on Learning Orientation**

Based on Table 2, it can be seen that entrepreneurial orientation has a positive significant effect on learning orientation, with coefficients (b: 0.512, CR: 5.48, p value: 0.000). The decision is to accept  $H_7$ , and thus the seventh hypothesis ( $H_7$ ) which states that "entrepreneurial orientation significantly affects learning orientation" must be accepted, meaning that entrepreneurial orientation has a positive influence on learning orientation in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of entrepreneurial orientation on learning orientation (Wang, 2008; Rhee et al., 2010).

#### **5.2.8. The Effect of Entrepreneurial Orientation on Competitive Advantages**

The evaluation results of the inner model in Table 2 indicate that the effect of entrepreneurial orientation on competitive advantages is positive and significant with coefficients (b; 0.209, CR: 2.32, p value: 0.022 > 0.05). The decision is to accept  $H_8$ , and thus the eighth hypothesis ( $H_8$ ) which states that "entrepreneurial orientation significantly affects competitive advantages" is supported, meaning that entrepreneurial orientation has significant positive effect on competitive advantages in SMEs Batik. This result is a new finding, as the contribution of the research.

#### **5.2.9. The Effect of Entrepreneurial Orientation on Marketing Performance**

The effect of entrepreneurial orientation on marketing performance is positive but not significant (shown in Table 2) with coefficients (b: 0.149, CR: r 1.34, p value: 0.183). The decision is to reject  $H_9$ , thus there is no support to accept the ninth hypothesis ( $H_9$ ), stating that "entrepreneurial orientation significantly affects marketing performance", meaning that entrepreneurial orientation on SMEs Batik does not have significant effect on marketing performance. These results contradict with most previous research linking entrepreneurial orientation directly to performance (Zahra and Covin 1995; Zahra 1991; Covin and Slevin 1986). Why does this happen? Proactive attitude and courage to take risks for new things are some of the characteristics of an entrepreneur. If this is not owned by the owners and managers of SMEs Batik, thus entrepreneurial orientation will not bring significant effect on performance of their business. This indication can be seen from the descriptive analysis that not all owners and managers of SMEs Batik have a proactive attitude to seek new opportunities, in which only 24 (24.7%) respondents having the characteristics, and there are still about 31 (32%) respondents who do not dare to explore new opportunities. It is the cause of the non-significant effect of entrepreneurial orientation of SMEs Batik toward marketing performance.

#### **5.2.10. The Effect of Innovation on Competitive Advantages**

Based on Table 2, it can be seen that innovation has a positive significant effect on competitive advantages, with coefficients (b: 0.404 CR: 3.60, p value: 0.000). The decision is to accept  $H_{10}$ , and thus the tenth hypothesis ( $H_{10}$ ) which states that "innovation significantly affects competitive advantages" must be accepted, its mean that innovation has significant positive effect on competitive advantages in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of innovation on competitive advantages (Suliyanto, 2011).

#### **5.2.11. The Effect of Innovation on Marketing Performance**

Based on Table 2, it can be seen that innovation has a positive significant effect on marketing performance, with coefficients (b: 0.460, CR; 5.01, p value: 0.000). The decision is to accept  $H_{11}$ , and thus the eleventh hypothesis ( $H_{11}$ ) which states that "innovation significantly affects marketing performance" must be accepted, its mean that innovation has significant positive effect on marketing performance in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of innovation on marketing performance (Agarwal et al., 2003; Subin-Im and Workman, 2004).

#### **5.2.12. The Effect of Competitive Advantages on Marketing Performance**

Based on Table 2, it can be seen that competitive advantages have a positive significant effect on marketing performance, with coefficients (b; 0.266, CR; 2.21, p value: 0.029). The decision is to accept  $H_{12}$ , and thus the twelfth hypothesis ( $H_{12}$ ) which states that "competitive advantages significantly affect marketing performance" must be accepted, its mean that competitive advantages has significant positive effect on marketing performance in SMEs Batik. The finding supports the results of previous studies confirming a significant positive effect of competitive advantages on marketing performance (Ma, 2000; Fahy, 2000; Wang and Lo, 2003; Wiklund and Shepherd, 2003; Morgan et al., 2004; Franco-Santos et al., 2007).

### 5.3. Measures Overall Goodness of Fit

Testing the overall model in this research is to look at the criteria of goodness of fit in the program of Generalized Structured Component Analysis (GSCA) based on the values of FIT, AFIT, GFI SRMR and NPAR. Criteria for a good FIT value range from 0 to 1, in which the greater the value of FIT, the more capable the variances of the data to explain what is modeled (Ghozali, 2008). However, we need to keep in mind that FIT values are usually affected by the complexity of the model so we need adjusted FIT values or AFIT (Ghozali, 2008). Other parameters are GFI and SRMR (standardized root mean square residual). According to Ghozali (2008), GFI is good when it is close to 1; if the value of GFI is above 0.9, then it is said to be very good value. The value of SRMR which is included in the indication of good fit is the value closer to 0 (Ghozali, 2008). Assessment on the model of the overall data obtained is shown in Table 3.

**Table 3. Overall Assessment Model Fit**

Model Fit	
FIT	0.539
AFIT	0.528
GFI	0.985
SRMR	0.126
NPAR	120

Based on Table 3, the obtained value of FIT from the GSCA is 0,539 (marginal fit), meaning that the data variation of marketing performance of SMEs Batik is able to be explained as much as 53% by the variables of market orientation, entrepreneurial orientation, learning orientation, innovation, and competitive advantages. The Afit value is 0.528 (very good), meaning that the data variation of marketing performance of SMEs Batik is able to be explained as much as 52.8% by the variables of market orientation, entrepreneurial orientation, learning orientation, innovation, and competitive advantages. GFI value of 0.985 is close to 1 (very good) and SRMR value of 0.127 is close to 0 (pretty good), meaning that the developed model fits very well. NPAR 120 means that the parameters analyzed in GSCA program consists of 54 parameters for loading, 54 parameters for weight, and 12 parameters for the path analysis, so all parameters have been represented by GSCA.

## 6. The Role of the Mediating Variables.

### 6.1. The Mediating Role of Learning Orientation.

#### 6.1.1. The Role of Learning Orientation in Mediating Market Orientation with Innovation.

The test results shown in Tabel 4 that market orientation significantly affects innovation, market orientation significantly affects learning orientation, and learning orientation significantly affects innovation. Thus, the role of learning orientation is as a partial mediating variable of market orientation to innovation. This means that innovation in SMEs Batik is highly dependent on the extent to which the owners and managers in conducting market orientation according to customer requirements and competitors' actions as well as continuous learning to generate innovations. These results support the study by Rhee (2010) which shows that innovation is positively influenced in part by market orientation through learning orientation. Keskin (2006) who conducts a study on 157 SMEs in Turkey finds that learning orientation as a mediator between market orientation and innovation.

**Table 4. Direct and Indirect Relationship among Variables**

Path	Direct Influence (without mediation)	Direct Influence (With mediation)			Mediation
	(b)	(c)	(d)	(a)	
MO→LO→INOV	MO→ INOV 0.639*	MO→LO 0.332*	LO→INOV 0.395*	MO → INOV 0.381*	Partial mediation
EO→LO→CA	EO→CA 0.693*	EO→LO 0.512*	LO→CA 0.331*	EO→CA 0.209*	Partial mediation
MO→INOV →MP	MO→MP 0.464*	MO→INOV 0.381*	INOV→MP 0.460*	LO→MP -0.128	Perfect mediation
EO→CA→MP	EO→MP 0.575*	EO→CA 0.209*	CA→MP 0.266*	EO→MP 0.149	Perfect mediation

\* = significant at .05 level

#### 6.1.2. The Role of Learning Orientation in Mediating Entrepreneurial Orientation with Competitive Advantages.

Learning orientation plays a role as a partial mediating variable of entrepreneurial orientation to competitive advantages. This means that competitive advantages of SMEs Batik are highly dependent on the attitude of the owners and managers in performing entrepreneurial orientation that reflectss the courage to take risks and to proactively seek opportunities, to be more willing to take measurable risks and committed to continuous learning



constantly. A high level of entrepreneurial orientation will encourage the managers and owners to continue to perform continuous learning in order to out perform its competitors, which in the end the company will have competitive advantages.

### **6.2. The Mediating Role of Innovation**

The Role of Innovation in Mediating Market Orientation with Marketing Performance. The test results show in Tabel 4 that market orientation does not significantly influence marketing performance, market orientation significantly affects innovation, and innovation significantly affects marketing performance. Thus the role of innovation is as a perfect mediating variable that mediates market orientation to marketing performance. This gives a sense that market orientation in SMEs Batik will provide a significant impact on marketing performance if it is mediated by innovation, meaning that SMEs Batik marketing performance is highly dependent on the level of innovation of the company and also the level of market orientation that affects innovation. These results support the research of Low et al. (2007) who find a positive correlation between market orientation and innovation, and between innovation and marketing performance. The same thing is found by the study of Verhees and Meulenberg (2004) which provides support for innovation as a mediator of market orientation and marketing performance for small companies. Salavou (2002) also finds the influence of market orientation on innovation, and innovation can improve marketing performance.

### **6.3. The Mediating Role of Competitive Advantages**

The Role of Competitive Advantages in Mediating Entrepreneurial Orientation with Marketing Performance. The test results show in Tabel 4 that entrepreneurial orientation significantly affects competitive advantages, competitive advantage significantly affects marketing performance, and entrepreneurial orientation has no significant effect on marketing performance. Thus, the role of competitive advantages is as a perfect mediating variable of entrepreneurial orientation and marketing performance. This gives the meaning that the level of entrepreneurial orientation of the owners and managers of SMEs Batik will give maximum impact on marketing performance if it is able to improve the company's competitive advantage. The result of this analysis is a new finding, which competitive advantages act as mediating variable of entrepreneurial orientation with marketing performance.

## **7. Theoretical and Managerial Implications.**

This study enriches studies in strategic management theory in the context of Knowledge-Based View of SMEs. The practical implications for SME owners and managers in improving their performance; a) can increase their market orientation in order to be consistent and always committed to serving the needs of customers in the future; b) can increase the entrepreneurial orientation to be more proactive by always looking for new opportunities to improve the performance of the company in the future; and c) can improve the learning orientation by means of setting clear management vision for the future understood by all parties within the company a clear vision will create cooperation to achieve company goals; d) can enhance innovations in the way companies continue to create new products, especially in terms of motives, which is supported by the improvement of administrative procedures of servicing customers and suppliers; e) can enhance the company's competitiveness by creating quality and durable products, and customize the products to customer needs; and f) can improve the performance of the company by way of creating customer loyalty.

## **8. Conclusions, Limitations and Further Studies**

The results of this study indicate that a) market orientation does not significantly affect marketing performance, b) market orientation significantly affects learning orientation, c) market orientation significantly affects innovation, d) learning orientation significantly affects innovation, e) learning orientation significantly affects competitive advantages, f) learning orientation does not significantly affect marketing performance, g) entrepreneurial orientation significantly affects learning orientation, h) entrepreneurial orientation towards competitive advantage, i) entrepreneurial orientation does not significantly affect marketing performance, j) innovation significantly affects competitive advantages, k) marketing performance significantly affects innovation, and l) competitive advantage significantly affects marketing performance. In addition, some mediation effects are also found a) innovation mediates market orientation and marketing performance, and mediates market orientation and competitive advantages, b) learning orientation mediates market orientation and marketing performance, and mediates market orientation and innovation, c) learning orientation mediates entrepreneurial orientation and marketing performance, and mediates entrepreneurial orientation and competitive advantages, and d) competitive advantages mediate entrepreneurial orientation and marketing performance.

There are several limitations of this study. First, the primary data is collected by self-assessment of respondents' perceptions of the study variables, so there is possibility of bias in the respondents' answers. Second, this study is a cross-sectional study, so it cannot see the dynamics of what the objects studied from time to time, especially related to variables of market orientation, entrepreneurial orientation and learning orientation, whose results can only be measured in the long term. For further research, this study can be used as a reference to develop existing

models and variables by adding external environment variables and age of companies as a moderating variable on marketing performance, by adding managerial capabilities including variables of the owners and managers of SMEs, and by conducting longitudinal studies in order to obtain a comprehensive long-term illustration of the variables studied.

## References

- Agarwal, M.K and Gupta, M, (2006). Marketing performance measures: Current status in Indian companies. *Decision*, 33(1), p.47–74.
- Aragon-Correa J, Garcia-Morales Victor and Cordon-Poso Eulogio, (2007). Leadership and organizational learning's role on innovation and performance: Lessons from Spain, *Industrial Marketing Management*, Vol 36(3) p.349-359.
- Baker, W.E and Sinkula J.M., (2009). The Complementary Effects of Market Orientation and Entrepreneurial Orientation on Profitability in Small Businesses, *Journal of Small Business Management* 47(4), p. 443-464.
- Baker, W.E. and Sinkula, J.M., (1999a), 'The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance', *Journal of the Academy of Marketing Science*, 27, 4, p. 411-427.
- Baker, W.E. and Sinkula, J.M., (1999b), 'Learning Orientation, Market Orientation and Innovation: Integrating and Extending Models of Organizational Performance', *Journal of Market Focused Management*, 4, p. 295-308.
- Bell, S.J., Whitwell, G.J., and Lukas, B.A., (2002). Schools of thought in organizational learning. *Journal of the Academy of Marketing Science* 30 (1), p.70-86.
- Berthon, P., Hulbert, J.M. and Pitt, L.F., (1999), 'To Serve or Create? Strategic Orientations Toward Customers And Innovation', *California Management Review*, 42, 1, p. 37-58.
- Calantone R, Cavusgil T, and Zhao Y, (2002). Learning orientation, firm innovation capability, and firm performance, *Industrial Marketing Management* 31, p.515– 524.
- Correa, J.A., Garcia-Morales, V.J. and Cordon-Pozo, E., (2007), 'Leadership and Organizational Learning's Role on Innovation and Performance: Lessons from Spain', *Industrial Marketing Management*, 36, 3, p. 349-359
- Daft, R. L, (1983). *Organization theory and design*. Upper Saddle River, NJ: West Publishing Company. New Jersey.
- Daghfous, A, (2004). Absorptive capacity and the implementation of knowledge-intensive best practices. *S.A.M. Advanced Management Journal*, 69(2), p.21–27.
- Day, George S. (1994b). Continuous About Learning Market. *Journal of Marketing*, vol 1 p.34 - 65
- Deshpande, R. and J. Farley (1998). "Measuring Market Orientation: A Generalization and Synthesis." *Journal of Market Focused Management*, 2(3), 213-232.
- Eris Deniz, and Ozmen , (2012). The Effect of Market Orientation, Learning Orientation and Innovativeness on Firm Performance: A Research from Turkish Logistics Sector, *International Journal of Economic Sciences and Applied Research* 5 (1): p.77-108
- Fahy, J. (2000). The Resource-based view of the Firm: Some Stumbling-blocks on the Road to Understanding Sustainable Competitive Advantage. *Journal of European Industrial Training*, 24(2/3/4), p. 94-104.
- Farrell, M.A. and Oczkowski, E., (2002). Are Market Orientation and Learning Orientation Necessary for Superior Organizational Performance?', *Journal of Market-focused Management*, 5, p. 197-217
- Farrell, M.A. and Oczkowski, E., (2002). 'Are Market Orientation and Learning Orientation Necessary for Superior Organizational Performance?', *Journal of Market-focused Management*, 5, p. 197-217
- Flint, D.J., Larsson, E., Gammelgaard, B. and Mentzer J.T., (2005), 'Logistics Innovation: A Customer Value-oriented Social Process', *Journal of Business Logistics*, 26, 1, p. 113-146
- Franco-Santos, Kennerley, Pietro Martinez, and Veronica, (2007). Towards A Definition of a Business Performance Measurement System, *International Journal of operations and Production Management*, Vol 27(8) p.784-801.
- Ghozali, Imam. (2008). *Generalized Structured Component Analysis (GSCA)*. Badan Penenbit UNDIP, Semarang.
- Gima, Authene-K. (1996). Market Orientation and Innovation, *Journal of Business Research*, 35, p. 93-103.
- Greenhalgh, T., Robert, G., Macfarlane, F., Bate, and P. ve Kyriakidou, O. (2004), 'Diffusion of Innovations in Service Organizations: Systematic Review and Recommendations', *The Milbank Quarterly*, 82, 4, p. 581-629.
- Han, Kim and Srivastava, Rajendra K, (1998). Market Orientation an Organization Performance: Is Innovation Missing Link?. *Journal of Marketing*. p.42-54.
- Hult GTM. (1998). Managing the international strategic sourcing process as a market-driven organizational learning system. *Decision Science* ;29(1):p.193– 216.

- Hult, G.T. M. and Ketchen, David J, (2001). Research notes and commentaries Does market orientation matter?: A test of the relationship between positional advantage and performance. *Strategic Management Journal*, Vol. 22, p. 899–906.
- Hult, G.T.M., Hurley, R.F. and Knight, G.A. (2003). Innovativeness: Its Antecedents and impact on Business Performance, *Industrial Marketing Management*, 33, pp. 429-438.
- Hwang, H and Takane, Y. (2004). Generalized structured Component Analysis. *Psicometric*, vol 69. p.81-99.
- Jaworski, B.J. and Kohli A.K. (1993). Market Orientation: Antecedents and Consequences, *Journal of Marketing*, 57, p. 53-70
- Keskin, H. (2006). Market Orientation, Learning Orientation, and Innovation Capabilities in SMEs An Extended Model, *European Journal of Innovation Management*, 9, 4, p. 396-417.
- Kirca, A.. (2005). Market orientation: A meta-analytic review and assessment of its antecedents and impact on performance. *Journal of Marketing*, 69(2): p.24–41
- Kumar, A and Noble, C.H., Sinha, R.K. (2002). Market Orientation and Alternative Strategic Orientations: A Longitudinal Assessment of Performance Implications. *Journal of Marketing*, 66 (October), p 25-39.
- Lado Nora, Albert Maydeu-Olivares, (2001). Exploring the link between market orientation and innovation in the European and US Insurance markets. *International Marketing Review*, Vol. 18 Iss: 2, p.130 - 145
- Laforet, S., (2008). Size, Strategic, and Market Orientation Affects on Innovation, *Journal of Business Research*, 61, p. 753-764.
- Lavie, D. (2006). The competitive advantage of interconnected firms: An extension of the resource-based view. *Academy of Management Review*, 31(3), 638–658.
- Liu, S.S., Luo X. and Shi Y. (2002). Integrating Customer Orientation, Corporate Entrepreneurship and Learning Orientation in Organizations-in-Transition: An Empirical Study', *International Journal of Research in Marketing*, 19, p. 367-382
- Low David R. , Chapman Ross L and R. Sloan Terry (2007). Inter relationships between innovation and market orientation in SMEs. *Management Research News* Vol. 30 No. 12, p. 878-891.
- Luo, X. and Shi, Y. (2003). Market-oriented organizations in an emerging economy: A study of missing links. *Journal of Business Research*, vol. 56,pp. 481 – 491
- Luo, X. and Shi, Y. (2003). Market-oriented organizations in an emerging economy: A study of missing links. *Journal of Business Research*, vol. 56,pp. 481 – 491
- Ma, H. (2000). Competitive Advantage and Firm Performance. *Competitiveness Review*, 10(2), p.16-29.
- Mavondo, F.T., Chimhanzi, J., and Stewart, J. (2005). Learning orientation and market orientation: relationship with innovation, human resource practices and performance. *European Journal of Marketing*, 39, p.1235-1263
- Mills, Daniel Quinn and Friesen Bruce, (1992). The Learning Organizations, *European Management Journal*, 10(2). p.46-156.
- Morales, Garcia-V. J., Ruiz-Moreno, A., and Llorens-Montes, F. J.(2007). Effects of technology absorptive capacity and technology proactivity on organizational learning, innovation and performance: An empirical examination. *Technology Analysis & Strategic Management*, 19(4), p.527–558.
- Morgan, N. A., Kaleka, A., and Katsikeas, C. S. (2004). Antecedents of export venture performance: A theoretical model and empirical assessment. *Journal of Marketing*, 68, p.90–108.
- Olavarrieta, S. and Friedmann, R., (2008). 'Market Orientation, Knowledge-Related Resources and Firm Performance', *Journal of Business Research*, 61, 6, p. 623-630.
- Padmore, T., Schuetze, H. and Gibson, H., (1998). Modeling Systems of Innovation: An Enterprise-centered View', *Research Policy*, 26, pp. 605-624.
- Panayides, P.M. and So, M., (2005). Logistics Service Provider-Client Relationship, *Transportation Research, Part E*, 41, 3, p. 179-200.
- Porter, M E. (1990). *Competitive Strategy*. The Free Press. New York.
- Prajogo, D. I, and Ahmed, P. K,(2006). Relationships between innovation stimulus,innovation capacity, and innovation performance. *R & D Management*, 36(5),p.499–515.
- Raduan, (2009). A Conceptual Framework of the Relationship between Organizational Resources, Capabilities, Systems, Competitive Advantage and Performance, *Research Journal of International Studies* Issue 12.
- Rhee, J, Park Taekyung and Hyung Lee Do. (2010). Drivers of innovativeness and performance for innovative SMEs in South Korea: Mediation of learning orientation, *Technovation*. Vol. 30 p. 65–75.
- Salavou, H. (2002). 'Profitability in Market-oriented SMEs: Does Product Innovation Matter?', *European Journal of Innovation Management*, 5, 3, p. 164-171.
- Santos-Vijande, M.L., and Vazquez-Casielles, R.. (2005). Organizational Learning and Market Orientation: Interface and Effects on Performance', *Industrial Marketing Management*, 34, p. 187-202.
- Sekaran, Uma,(2006). *Research Methods for Business : Metode penelitian untuk Bisnis*, Edisi Keempat,

- Salemba Empat, Jakarta.
- Shahid, Mavondo, and Gunasekaran. (1997). A study of competitive strategy, organisational innovation and organisational performance among Australian manufacturing companies, *International Journal Production Economics*, 52. p.161-172.
- Slater, Stanley., F. and Jhon. C. Narver. (1995). Market Orientation and the Learning Organization.. *Journal of Marketing*. Vol 59 p. 63-74.
- Stata, R., (1989). Organizational Learning-The Key to Management Innovation', *Sloan Management Review*, 30, p. 63-73.
- Subin Im & John P. Workman Jr. (2004). Market Orientation, Creativity, and New Product Performance in High-Technology Firms. *Journal of Marketing* Vol. 68 (April 2004), 114–132
- Suliyanto, (2011). The effect of orientation learning on competitive advantage through innovation: Study on small and medium enterprises, *Business and Management Review* Vol. 1(7) p. 28 – 36
- Tajeddini, K., Trueman, M. and Larsen, G. (2006). Examining the effect of market orientation on innovativeness. *Journal of Marketing Management*, 22(5-6), p.529-551.
- Tang, J.(2006). Competition and Innovation Behavior, *Research Policy*, 35, pp. 68-82.
- Teece, D. J.(2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13),p.1319–1350.
- Theoharakis, V. and Hooley, G. (2008). Customer Orientation and Innovativeness: Differing Roles in New and Old Europe, *International Journal of Research in Marketing*, 25, p. 69-79
- Verhees,F.J.H.M. and Meulenber, M.T.G. (2004). Market Orientation, Innovativeness, Product Innovation, and Performance in Small Firms”, *Journal of Small Business Management*, Vol. 42 (2), p.134–54
- Walters, D, Halliday, M and Glaser, S (2002). Creating value in the "new economy, *Management Decision*, vol. 40, no. 7/8, p. 75-81.
- Wang, C.L. (2008). Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship Theory & Practice* 32 (4),p. 635–657.
- Wang, Y, and Lo, H.P. (2003). Customer-focused performance and the dynamic model for competence building and leveraging A resource-based view. *Journal of Management Development*, volume 22, p. 483-526.
- Wiklund, Johan and Dean Shepherd (2003). Knowledge-Based Resources, Entrepreneurial Orientation, and the Performance of Small and Medium-Sized Businesses, *Strategic Management Journal* 24, p.1307-1314.
- Wingwon, B. (2012). Effects of entrepreneurship, organization capability, strategic decision making and innovation toward the competitive advantage of SMEs enterprises. *Journal of Management and Sustainability*, 2(1), p. 137-150
- Wong, S.Y. and Chin, K.S.(2007). Organizational Innovation Management, An Organization-Wide Perspective', *Industrial Management & Data Systems*, 107, 9, p. 1290-1315
- Wu, Lin and Sai. (2008). The Impacts of Market Orientation, Learning Orientation, Innovation on Organizational Performance, National Cheng Kung University.
- Xuereb, Gatignon, H. J.M.. (1997). Strategic Orientation Of The Firm And New Product Performance', *Journal of Marketing Research*, 34, 1, p. 77-90.
- Zahra S.A. and Covin J. (1995). Contextual influences on the corporate entrepreneurship company performance relationship in established firms: a longitudinal analysis. *Journal of Business Venturing* 10:p.43–58
- Zhou K.Z., Brown and, Chekitan S. Dev, (2009). Market orientation, competitive advantage, and performance: A demand-based perspective. *Journal of Business Research* 62 pp. 1063–1070.
- Zhou, K.Z., Gao, G.Y., Yang, Z. and Zhou, N. (2005).Developing Strategic Orientation in China: Antecedents and Consequences of Market and Innovation Orientations', *Journal Business Research*, 58, 8, pp. 1049-1058

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:  
<http://www.iiste.org>

## CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

## MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

## IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

