LEVERAGING STRATEGIC ORIENTATIONS IN ACHIEVING A COMPETITIVE ADVANTAGE AMONG MSMES: A CROSS-COUNTRY MARKETING ANALYSIS

Keni Kaniawati*, Andhi Sukma, & Desy Oktaviani
Widyatama University, Indonesia

ABSTRACT
This study aims to understand the extent to which market orientation, learning orientation, and entrepreneurial orientation contribute to the marketing performance of micro, small, and medium enterprises (MSMEs) in Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia, and how competitive advantage mediates the relationships. This quantitative study examined a total of 450 Hands-on Business Community (HBC) members through a stratified random sampling method. The data was analyzed using structural equation modeling – partial least square (SEM-PLS). The results show that all market orientation, learning orientation, entrepreneurial orientation, and competitive advantage have a positive and significant impact on the marketing performance. In addition, the competitive advantage also significantly mediates the impact of these three orientations on the marketing performance. These findings suggest that the MSMEs in Indonesia, Australia (Perth and Canberra), Egypt and Saudi Arabia to invest in market research and employee development, as well as to foster an entrepreneurial mindset, in order to succeed in dynamic markets. Further, there should be policy measures to support these orientations.

JEL: M12, M31, M54.

Keywords: market orientation, learning orientation, entrepreneurial orientation, competitive advantage, marketing performance.

1. INTRODUCTION
Micro, small, and medium enterprises (MSMEs) are critical in Indonesia, with over 64.2 million MSMEs contributing 61.9% of gross domestic product (GDP) and employing 97% of the total workforce (Ekon, 2022). In Australia, small enterprises increased by 15% in 2021-22, totaling $506 billion, or one-third of the GDP. They have employed 5.1 million individuals, supporting 42% of apprentices and trainees - roughly twice the percentage of big enterprises. Interestingly, almost 98% of Australian enterprises are small (ASBFEO, 2023). In general, the MSMEs drive employment and growth in emerging economies, such as Egypt, where they account for more than 90% of enterprises (3.7 million). However, they confront challenges, such as limited access to financing and climate risks (Gray, Allen, Neugebauer, Mavikela, & Mtshali, 2022). Meanwhile, in Saudi Arabia, the MSMEs increased by 3.5% in Q3 2023, reaching 1.27 million MSMEs. They significantly contribute to non-oil sector growth, with private sector investments surging by 18.8% year-on-year in Q2 2023, reflecting a maturing entrepreneurial ecosystem and diversification objectives (Al-Alkhirah, 2023).

Based on this data, it can be assumed that the MSMEs play an important role in the economies of Indonesia, Australia, Saudi Arabia, and Egypt, contributing to both the GDP and employment (El Badriati, Saleh, Nahar, Aprilia, & Azizurohman, 2022). However, they have limited capital, outdated marketing, and also outdated technology. They also play an important role in driving economic development and promoting growth throughout several sectors.

* Corresponding Author: keni.kaniawati@widyatama.ac.id
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However, todays, most of them have limited capital, outdated marketing, and also outdated technology. To remain competitive, they must rapidly adapt to global business dynamics, understand consumer demands, develop effective strategies to overcome the challenges and capitalize on their strengths (Pieter & Utomo, 2023). In addition, recognizing and responding to market shifts are also essential for outperforming other MSMEs, and marketing improvements are such a key factor for the success (Larios-Francia & Ferasso, 2023). Understanding strategic orientations also enable them to achieve a competitive advantage and excel in marketing in ever-changing markets (Ismail, Aman, & Changalima, 2023). Existing literature have only identified the importance of strategic orientations, which consist of market orientation, learning orientation, and entrepreneurial orientation, for developing the MSMEs and their relationships in achieving the competitive advantage and improving their marketing performance. Meanwhile, the existing literature need further analysis in different settings by also incorporating more contextual factors. Technology adoption and governmental policies are two substantial inputs for a more comprehensive understanding of the multifaceted dynamics shaping the competitive landscape for MSMEs (Suminah, Suwarto, Sugihardjo, Anantanyu, & Padmaningrum, 2022). The current market requires the MSMEs to be market-oriented, because the market-oriented enterprises often outperform others by swiftly responding to consumer needs and market shifts, hence improving business performance (Stocker & Várkonyi, 2022). However, the relationship between market orientation and success is still controversial, with several studies doubting its definitive impact on the business performance (Aisjah, Arsawan, & Suhartanto, 2023). Nonetheless, a market-oriented culture has been confirmed to positively affect employee behavior and customer value, which may improve the economic results (Hauke-Lopes, Wiczerzycki, & Ratajczak-Mrozek, 2022).

Furthermore, an effective organization implements management practices that promote knowledge growth and emphasize the competitive advantage. Fostering an authoritative learning society requires the market orientation and entrepreneurial orientation (Funko, Vlačić, & Dabić, 2023). At the same time, a study by Cortez, Johnston, & Ehret (2023) found a strong relationship between learning orientation and marketing performance, although Cuevas-Vargas, Esparza-Durón, & González-Acolt (2022) reported the opposite. In addition, Hakim & Wijaya (2022) discovered that the learning orientation influences the market performance in Hungarian MSMEs, but adversely affected Finnish MSMEs. Moreover, a study by Daradkeh & Mansoor (2023) provided insights into the directing role of of key adaptability in emerging economies by stressing the cooperation between startup advancement, entrepreneurial orientation, and organizational orientation. These previous findings highlight the dynamic nature of entrepreneurship, emphasizing the importance of adaptable strategies in evolving markets. Creativity and risk-taking are qualities that positively correlate with the business performance, with a focus on achievement orientation (Mthembu & Barnard, 2019). More previous studies also confirmed that the entrepreneurial orientation improves the marketing performance (Al-Shaikh & Hanaysha, 2023), although some suggested a complex relationship between the two (Somwethee, Aujirapongpan, & Ru-Zhue, 2023). In relation to the competitive advantage, the MSMEs must be able to deliver exceptional values from their business, and it is often related with excellent marketing outcomes, despite some inconsistencies (Alghamd & Agag, 2024; Sassi, Frini, Karaa, & Kraiem, 2016).
This present study aims to understand the extent to which the market orientation, learning orientation, and entrepreneurial orientation contribute to the marketing performance of MSMEs in Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia, and how the competitive advantage mediates the relationships. These objectives signify the importance of adapting strategies in evolving market landscapes (Daradkeh & Mansoor, 2023) and the development and utilization of MSMEs’ resources and capabilities (Castillo, Pacheco, Manotas, & Guzmán, 2021; Tarihoran, Hubeis, Jahroh, & Zulbainarni, 2023). Specifically, this study examines the Hands-on Business Community (HBC) – a technology-driven entrepreneurial network with 35,007 members across 102 regions, including Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia, established in 2006 by Badroni Yuzirman and co-founders. The HBC supports the MSMEs through various activities to improve the MSMEs’ learning orientation and product quality for the competitive markets. They had previously managed to encourage their members with a 27.85% increase in 2022, followed by a 13.34% growth in 2023, despite a 4.49% sales decline in 2021. The HBC believes that effective marketing is vital to drive growth, competitiveness, and sustainability. By promoting offerings, communicating values, and engaging target audiences, the HBC can attract and continue to retain their members/customers. The HBC leverages their marketing for brand visibility, customer engagement, and market penetration to seize growth opportunities and establish a solid competitive presence. The results of this study are expected to offer actionable advice for the MSMEs to achieve outstanding performance in the dynamic markets, broadening their understanding of factors influencing their competitive success.

2. THEORETICAL FRAMEWORK AND EMPIRICAL STUDIES

2.1. Theoretical Framework

The market orientation, learning orientation, and entrepreneurial orientation contribute significantly to the MSMEs’ (94.7%) and marketing performance (80.9%). In this study, the competitive advantage is also examined for its mediating role in the relationships between the three orientations on the marketing performance, proposing that it can enhance the relationships. The literature explains that these orientations have synergistic impacts, especially the entrepreneurial orientation which includes creativity, proactiveness, and hazard the board as key enhancers of business operations.

2.2. MSMEs

The MSMEs, as defined by specific legal criteria, are crucial to Indonesia’s economy, employing over 20 million people across 40 million enterprises (Castillo et al., 2021). Their resilience during economic crises highlights their role as economic pillars (Tarihoran et al., 2023). Considering that the marketing performance is critical to the MSMEs’ success, strategic management is required for business development. The MSMEs must understand and meet customer needs, guiding the development of new products and services (Koldewey, Hemminger, Reinhold, Gausemeier, Dumitrescu, Chohan, & Frank, 2022). Several studies provided valuable insights into different aspects of MSMEs, such as their adoption of technology, entrepreneurial leadership, resilience, innovation, financial literacy, and access to funding. In addition, Eze, Chinedu-Eze, & Awa (2021) emphasized the significance of considering cross-setting contrasts in structure and administrative abilities while concentrating on the reception of virtual
entertainment which promotes innovation. Meanwhile, another study has also discovered the mutual cooperation between entrepreneurship and leadership as an effective mechanism for studying MSME management and development (Simba & Thai, 2019). Additionally, Hamdana, Pratikto, & Sopiah (2021) recommended a calculated structure that connects the entrepreneurial orientation, financial education, and MSMEs’ exhibition, emphasizing the role of access to funding in supporting the MSME actors. Furthermore, Carvalho, Resende, Pontes, Carvalho, & Betim (2021) underlined the significance of investigating elements that might influence the MSMEs’ commitment to development, highlighting the need for a thorough theoretical understanding of these perspectives.

2.3. Marketing Performance

Metrics, such as sales growth and market share, are used to evaluate a company's marketing performance, which is critical to its success (Terho, Mero, Siutla, & Jaakkola, 2022). They reflect the effectiveness of marketing activities and are especially important in competitive environments. The MSMEs must adapt to maintain or improve their performance, as indicated by annual sales growth, competitive advantage, and market share expansion (Netto, Bahrami, Brei, Bozkaya, Balcisoy, & Pentland, 2023). Several studies provided valuable insights into different aspects of marketing performance, such as dynamic marketing capability, emotional labor, market integration, and sustainable internationalization. Hoque, Ahammad, Tzokas, & Gabay (2020) discovered the significance of understanding the dynamic nature of marketing capabilities in driving the business performance and offered a reasonable structure on the components of dynamic showcasing capacity (DMC) and its relationship with send-out execution. Besides, Hung & Yen (2022) focused on the feasibility of internalizing advanced education and developing creative marketing strategies for global study registration, underscoring the need for advertising systems to align with the management objectives and internalization efforts. For this reason, there is a need for considering sustainability and global perspectives while developing a comprehensive theoretical framework for increasing the marketing performance. Likewise, Delaney (2021) developed a model of hypothesis based on limited time to create, market absence, and risk evasion, allowing for a solid construction that considers opportunities and weaknesses in adventure decisions, which are critical components of advancing method improvement and execution evaluation.

2.4. Competitive Advantage

In today’s competitive global market, the MSMEs must differentiate themselves through unique value propositions and responsiveness in order to achieve the competitive advantage, which is critical for enhanced performance and revenue (Hajipour, Hekmat, & Amini, 2023). A product’s differentiation and strategic adaptability to market and external changes are essential for sustainable competitive advantage (Mugoni, Nyagadza, & Hove, 2023). Le & Lei (2018) found the impact of development speed and quality on separation and low-cost competitive advantage, providing Chiefs and supervisors with a more in-depth understanding of the elements essential to encourage the competitive advantage in their organizations. Moreover, Kaur (2023) addressed the challenges in understanding how multinational enterprises (MNEs) develop and sustain the competitive advantage, emphasizing the need for a meta-theoretical approach. A study by Ge, Yang, Jiang, Gao, Du, & Zhou (2018) conducted an experimental concentration on green advancement techniques and feasible competitive advantages which explain the path and limitations of these connections, particularly in areas of high ecological vulnerability. According
to Chahal & Bakshi (2015), academic capital affects the competitive advantage, indicating the importance of intangible resources in accomplishing predominance. In addition, Tamayo-Torres, Gutiérrez-Gutiérrez, Llorens-Montes, & Martínez-López (2016) found that hierarchical settings that lead the organizations in achieving the competitive advantage prioritize essential fit, stressing the importance of hierarchical learning and development. Further, Bel (2018) proposed a property rights hypothesis of the competitive advantage, providing an alternative perspective on the competitive advantage’s control and administration. Shams (2016) developed a calculated strategy for limited effort to support the achievement of competitive advantage, explaining the significance of continuous improvement and maintainable functional execution.

### 2.5. Market Orientation

The market orientation, understanding customer needs, and competition dynamics are crucial for effective marketing strategies and decision-making (Zhang, Li, Li, & Feng, 2023). They improve the response to market changes, which benefits the business performance, particularly for the MSMEs (González-Serrano, Santos, Sendra-Garcia, & Clabug, 2023). Most of the MSMEs believe that aligning what they have with the market demands is critical for increasing the consumer perspective and decision-making (Laveneziana, Prussi, & Chiaramonti, 2023; Perrea, Chrysochou, & Krystallis, 2023). Krisprimandoyo (2020) discussed how the market orientation shapes organizational behavior and culture. Meanwhile, Kowalik, Danik, & Plesniak (2022) investigated the natural determinants of responsive and proactive market orientation, revealing insights into how external factors influence the development of market orientation approach. Ratny, Arshad, & Gaoliang (2017) had analyzed another perspective on the effect of a help-driven market orientation on the help development, focusing on the meaning of learning capacity in gaining a long-term competitive advantage. Besides, Kaliappen & Hilman (2017) proposed a framework for determining the essential fit between severe systems, market orientation types, and development procedures, which provide guidance to the organizations in developing appropriate techniques.

### 2.6. Learning Orientation

The learning orientation is critical to organizational innovation and performance, driving new knowledge and innovation (Eriksson & Heikkilä, 2023). It underpins product success, customer service quality, and profitability (Nigatu, Belete, & Habtie, 2023). As a cultural fundamental, it enhances the adaptability to environmental changes and promotes organizational changes through open-mindedness (Webster, Hall, Hill, See, Simons, Havrlant, & Osten, 2022). Leadership commitment to this orientation is crucial for strategic alignment and informed decision-making (Tyagunova & Breidenstein, 2023), with a shared vision providing clarity on the organizational goals and practices (Murray & Perera, 2021). Wu, Cheng, & Hsieh (2021) investigated the effect of relational cooperation on imaginative execution and the direct impact of objective direction, revealing insight into the relationships between the three. Wang, Song, Chen, & Yuan (2021) investigated the significance of learning orientation in encouraging learning from failures and the influence of negative emotion coping orientation and positive grieving on the learning orientation. In addition, Bartels (2023) developed a framework for facilitating experiential learning that addresses the shortcomings of Kolb’s experiential learning cycle while also providing a comprehensive approach to the experiential learning.
2.7. Entrepreneurial Orientation

The entrepreneurial orientation is a strategic framework for business growth and competitive advantage that promotes innovation, proactiveness, and risk-taking (Daradkeh & Mansoor, 2023). It guides market entry and product innovation (Pinto & Rua, 2023), while also improving the business performance (Lou, Chen, Yin, Zhang, & Yu, 2022). Several previous studies had proved the role of self-efficacy in fostering a pioneering outlook (Mostafiz, Hughes, Simeonova, & Sambasivan, 2023) and the importance of flexibility in the entrepreneurial orientation (Salem, Elbaz, Al-Alawi, Alkathiri, & Elkhwesky, 2023). They also explored the interaction between strategic orientations and entrepreneurial orientation (Baskoro, Radzi, & Omar, 2022) and the impact of entrepreneurial orientation on organizational absorptive capacity and sustainable development (Mao, Wang, & Yi, 2021). The integrated entrepreneurial responsible orientation (ERO) framework integrates the entrepreneurial orientation, stakeholder demands, and sustainable development (Iqbal & Khizar, 2022; Zhou, Zhang, & Su, 2022). For example, the Theory of Planned Behavior describes cognitive and behavioral aspects of entrepreneurial intention and behavior (Lihua, 2022). Furthermore, partner orientation has also been proven to influence the business performance, and the entrepreneurial orientation contributes to the success of organizations (Vaitoonkiat & Charoensukmongkol, 2020). Besides, the relationships between innovation, entrepreneurial orientation, and organizational skills have also been confirmed (Maranan & Borbon, 2022).

This present study aims to understand the extent to which the market orientation, learning orientation, and entrepreneurial orientation contribute to the marketing performance of MSMEs in Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia, and how the competitive advantage mediates the relationships. The results of this study are expected to contribute to the existing literature and implications on how to leverage the strategic orientations for the competitive advantage in the MSMEs across diverse contexts.

2.8. Hypothesis Development

![Figure 1. Research Framework](image-url)

The above research framework incorporates the relationships between market orientation, learning orientation, entrepreneurial orientation, competitive advantage, and marketing performance. There are seven hypotheses proposed, with the fifth, sixth, and seventh hypothesis examine the mediating role of competitive advantage on the impact of the three
strategic orientations on the marketing performance. The development of seven hypotheses is elaborated as follows:

**Market Orientation and Marketing Performance**

The market orientation, which is anchored in the organizational culture, significantly improves the marketing performance by fostering customer value, positively impacting overall business performance (Ismail et al., 2023). Chaudhary, Sangroya, & Nema (2021) suggested a calculated system for market orientation and development towards Takaful execution in Malaysia, arguing that the market orientation has a strong impact on the hierarchical execution. This hypothesis explains the relationship between performance outcomes, innovation, and market orientation. Therefore, the first hypothesis that can be proposed is as follows:

**H1**: The market orientation has a positive and significant impact on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

**Learning Orientation and Marketing Performance**

The learning orientation is included in the internal mechanisms, which has an impact on a company’s transition from one paradigm to another (Peng & Shao, 2021; Phillips, Luo, & Wendland-Liu, 2023). It has been found to have a positive impact on the marketing performance (Gil-Cordero, Rodriguez-Rad, Ledesma-Chaves, & Río-Vázquez, 2023). Beneke, Blampied, Dewar, & Soriano (2016) argued that the more significant the organizations’ learning orientation, the stronger the relationship between market orientation and authoritative execution. This demonstrates how the learning orientation functions as a mediator in the relationship between the two. Further, Phorncharoen (2020) found that the learning orientation intervenes between the market orientation and imaginativeness, suggesting that the learning orientation plays an important role in driving the development and, as a result, promoting the execution. Thus, the second hypothesis that can be proposed is as follows:

**H2**: The learning orientation has a positive and significant impact on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

**Entrepreneurial Orientation and Marketing Performance**

According to Martin & Javalgi (2016), the entrepreneurial orientation has a significant impact on the marketing performance. This is in line with a finding by Al-Momani, Haddad, Shabarati, & Hashesh (2023), who found evidence of a performance-enhancing entrepreneurial approach (Fatikha, Rahayu, & Sumiati, 2021). This shows that the entrepreneurial orientation increases seriousness and, simultaneously, the promotion of execution. In addition, Sari, Dilham, Qamarah, & Hutagalung (2022) demonstrated that the ability to pioneer, market orientation, and entrepreneurial orientation all affect business execution, including the promotion execution. Further, Rois, Kartika, Budiman, Komarudin, & Gunawan (2021) underlined the importance of context context on the relationship and claimed that the environmental factors may mediate the relationship between entrepreneurial orientation and marketing performance. According to Laily, Wahyuni, & Yuliati (2021), adopting an entrepreneurial approach can improve the business performance, including the marketing performance. As a result, the third hypothesis that can be proposed is as follows:
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**H3:** The entrepreneurial orientation has a positive and significant impact on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

**Competitive Advantage and Marketing Performance**

An organization’s particular advantage is something that should be maintained in order to achieve a competitive advantage. This is consistent with a finding by Akbari, Anilu, Bigdeli, & Rezasoltany (2023), who discovered that having a competitive advantage has a significant impact on promoting achievement. Riaz, Santoro, Ashfaq, Ali, & Rehman (2023) claimed that exhibition is influenced by the competitive advantage. Chatzoglou & Chatzoudes (2018) added that the export venture’s planned competitiveness is moderated by competitive intensity. Therefore, it can be concluded that there is a relationship between the competitive advantage and promoting the execution. This concept can help the organizations increase their marketing performance by utilizing the competitive advantage (Ferreira, Cardim, & Branco, 2018). Hence, the fourth hypothesis that can be proposed is as follows:

**H4:** The competitive advantage has a positive and significant impact on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

**The Mediating Role of Competitive Advantage on the Impact of Market Orientation on Marketing Performance**

According to Wengler & Kolk (2023) and Acosta, Crespo, & Agudo (2018), the market orientation positively and significantly impacts the marketing performance through the competitive advantage. The market orientation may offer a competitive advantage by improving brand positioning, customer satisfaction, and market share (Wahidmurni, 2017). The ability to continuously develop and adapt to the changing economic conditions is critical for maintaining the competitive advantage and achieving unrivaled showcasing viability (Kamboj & Rahman, 2017). Consequently, the fifth hypothesis that can be proposed is as follows:

**H5:** The competitive advantage mediates the impact of market orientation on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

**The Mediating Role of Competitive Advantage on the Impact of Learning Orientation on Marketing Performance**

According to Cadden, Weerawardena, Cao, Duan, & McIvor (2023), the competitive advantage mediates the impact of learning orientation on the marketing performance. The MSMEs must understand their customer demands and preferences to provide added value and gain the competitive advantage — which all can be achieved through the marketing activities, as well as adaptation and learning orientation (Tuan & Rajagopal, 2022). This also highlights the relationship between market orientation and learning orientation. Further, the learning orientation, such as exploratory and exploitative learning, can influence the development of market orientation, including a client-centered approach and competitor analysis (Becker & Brettel, 2017). It has also been widely acknowledged that the ability to successfully manage partnerships between companies is a reliable source of competitive advantage. Nonetheless, the collaborations provide significant management issues, as there is a risk of conflicts and
advantage. As a result, a comprehensive understanding of which the capabilities enable the business to effectively manage co-promoting unions is critical (Schögel, Herhausen, & Schmitz, 2017). Accordingly, the sixth hypothesis that can be proposed is as follows:

**H6:** The competitive advantage mediates the impact of learning orientation on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

The Mediating Role of Competitive Advantage on the Impact of Entrepreneurial Orientation on Marketing Performance

Wales, Kraus, Filser, Stöckmann, & Covin (2021) described how the relationship between entrepreneurial orientation and advertising execution is influenced by the competitive advantage. According to Morales-Pérez, Garay-Tamajón, Corrons-Giménez, & Pacheco-Bernal (2022), the upper hand joins pioneering direction with lopsided organization execution. The competitive advantage has significantly impacted sustainable business success. These findings help professionals improve their practices to develop effective strategies and achieve the competitive advantage (Wang, Zhang, Wang, Zhu, & Heravi, 2023). A creative attitude drives the entrepreneurial success in the context of IC. The MSME actors with a growth mindset reflect and drive the success, either directly or through the IC. Although they have a strong and established perspective and have no innovative achievement, they can drive the success through the IC (Yodchai, Ly, & Tran, 2022). The innovative mindset has a strong influence on the entrepreneurial authority and business performance. It also significantly affects cost authority and separation procedures. The creative mindset has a significant impact on the business execution, cost authority, and separation strategies (Ersari & Naktiyok, 2022). Then, the seventh hypothesis that can be proposed is as follows:

**H7:** The competitive advantage mediates the impact of entrepreneurial orientation on the marketing performance of MSMEs in the HBC of Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia.

This study highlights several gaps in the literature, including conflicting findings on the impact of three strategic orientations on the MSMEs’ marketing performance, the need for cross-country analysis, sales variability in the HBC, and the overlooked role of competitive advantage as a mediator. The results of this study are expected to provide new knowledge to help the MSMEs around the world improve their effectiveness, and the understanding of competitive advantage and marketing effectiveness. All seven hypotheses of this study emphasize novel characteristics and significance to the MSMEs’ strategic orientations and marketing performance, supported based on several previous studies. For instance, the hypothesis that market orientation positively impacts marketing performance in HBC MSMEs across various locations (H1) is backed by Ismail et al. (2023) and Chaudhary et al. (2021), emphasizing customer-centric strategies and market responsiveness. The hypothesis that learning orientation impacts marketing performance in HBC MSMEs (H2) draws from studies by Beneke et al. (2016), Peng & Shao (2021), and Phillips et al. (2023), bringing attention to the role that learning orientation plays as a mediator between market orientation and organizational performance. Essentially, the speculation that the upper hand intervenes in the connection between enterprising direction and advertising execution in HBC MSMEs (H3) is upheld by research from Castillo et al. (2021) and Tarihoran et al. (2023).
3. RESEARCH METHODS

This study implemented a quantitative approach to analyze numerical data and investigate the relationships between variables, and employed a causality research design (Malhotra, 2020). This study aims to understand the extent to which market orientation, learning orientation, and entrepreneurial orientation contribute to the marketing performance of micro, small, and medium enterprises (MSMEs) in Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia, and how competitive advantage mediates the relationships. The data was collected using a questionnaire and then analyzed using structural equation modeling – partial least square (SEM-PLS) with SmartPLS 3.0.

There was a total of 35,007 HBC members involved. Considering that the size of population could not be determined and considered unlimited (Hult, Sarstedt, & Ray, 2021), the sample was selected using a stratified random sampling method. The sample consisted of 450 MSMEs with a maximum sales turnover of 300 million.

This study employed a non-probability sampling method, which eliminated a natural probability of parts in the population (Sandstrom-Mistry, Lupi, Kim, & Herriges, 2023). The respondents were selected by using a purposive sampling method based on the criteria aligning the research objectives. According to Leguina (2017), the minimum sample size recommended was three times the total number of indicators, with the samples over 100 considered optimal or under 100 if contextually appropriate. Hair, Sarstedt, Hopkins, & Kuppelwieser (2014) suggested a minimum sample size of five times the number of variables in multivariate analysis. This study developed a total of 45 questionnaire items, thus, this study required a sample size of 450 HBC members.

The questionnaire was measured using a Likert scale (Taherdoost, 2019). The Likert scale was a five point one, ranging from one ‘Strongly Disagree’ to five being ‘Strongly Agree’. The primary data obtained from the questionnaire completed by the respondents were then analyzed using the SEM-PLS in SmartPLS 3.0. In addition, several selected respondents were also interviewed to enhance the data validity.

4. DATA ANALYSIS AND DISCUSSIONS

The hypotheses were examined by conducting several tests, including inner model evaluation, to examine the relationships between latent variables (Hair, Risher, Sarstedt, & Ringle, 2019).

4.1. Descriptive Statistics

There are five variables examined in this study, including the market orientation, learning orientation, entrepreneurial orientation, competitive advantage, and marketing performance. Each construct’s frequency and intensity were assessed by multiplying the highest score by the number of corresponding items (Castillo et al., 2021; Tarihoran et al., 2023). These values were then categorized into five intervals: 1.00 - 1.80 (very low), 1.81 - 2.60 (low), 2.61 - 3.40 (moderate), 3.41 - 4.20 (high), and 4.21 - 5.00 (very high) (Theresia, Ranti, & Ramon, 2018).
Table 1. Descriptive Statistics

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<th>Missing</th>
<th>Mean</th>
<th>Min.</th>
<th>Max.</th>
<th>Standard Deviation</th>
<th>Average</th>
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<td>5.000</td>
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</tbody>
</table>
Leveraging Strategic Orientations in Achieving a Competitive Advantage Among MSMEs: A Cross-Country Marketing Analysis

Based on Table 1, there is a collective average score of 3.7 (high).

4.2. SEM Analysis

Figure 2 below presents the results of SEM analysis as follows:

Source: Processed data (2023)

4.3. Convergent Validity

A construct would be considered valid if its loading factor was higher than 0.7. The following Table 2 presents the results of outer model evaluation, consisting of the values of loading factor, Cronbach’s alpha, composite reliability (CR), and average variance extracted (AVE):

Source: Processed data (2023)

Figure 2. Results of SEM Analysis
<table>
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<tr>
<th>Category</th>
<th>CO5</th>
<th>CO6</th>
<th>IC7</th>
<th>IC8</th>
<th>IC9</th>
<th>CL1</th>
<th>CL2</th>
<th>CL3</th>
<th>OM4</th>
<th>OM5</th>
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<th>SSV7</th>
<th>SSV8</th>
<th>SSV9</th>
<th>Entrepreneurial Orientation (X3)</th>
<th>Ability to Innovate</th>
<th>Being Proactive</th>
<th>Dare to Take Risk</th>
<th>Competitive Advantage (Z)</th>
<th>Cost Advantage</th>
<th>Differentiation</th>
<th>Product Quality</th>
<th>Marketing Performance (Y)</th>
<th>Source: Processed data (2023)</th>
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</table>
Leveraging Strategic Orientations in Achieving a Competitive Advantage Among MSMEs: A Cross-Country Marketing Analysis

The loading factor of all indicators is higher than 0.7, indicating that all constructs are reliable. According to Hult et al. (2021), all variables were valid if their Cronbach’s alpha and CR were higher than 0.7 and 0.6, simultaneously. The AVE values also indicate that all constructs have a value of higher than 0.5. The results of discriminant validity test can be seen in the following Table 3:

Table 3. Results of Discriminant Validity Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Learning Orientation (X2)</th>
<th>Competitive Advantage (Z)</th>
<th>Entrepreneurial Orientation (X3)</th>
<th>Market Orientation (X1)</th>
<th>Marketing Performance (Y)</th>
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<tbody>
<tr>
<td>Learning Orientation (X2)</td>
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<td>0.830</td>
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</table>

Source: Processed data (2023)

Solimun & Fernandes (2018), Based on Table 3 above, it can be seen that there are strong correlations among the research variables, with the AVE values ranging from 0.752 to 0.869. Additionally, the AVE values for each variable have also exceed the correlations between them, indicating a solid discriminant validity.

4.4. Inner Model Evaluation

The inner model evaluation determined whether or not the structural model fit in the research. The following Table 4 presents the coefficient of determination:

Table 4. Coefficient of Determination (R²)

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Squared</th>
<th>Adjusted R-Squared</th>
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<td>Competitive Advantage (Z)</td>
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</tr>
<tr>
<td>Marketing Performance (Y)</td>
<td>0.809</td>
<td>0.807</td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

The results on Table 4 explain that the market orientation, learning orientation, entrepreneurial orientation, and competitive advantage explain 80.9% of marketing performance. The remaining 19.1% could be explained by other variables not included in the study. Additionally, it is found that the competitive advantage is influenced by the three strategic orientations by 94.7%. The remaining 5.3% could be explained by other variables not included in the study.

Table 5. F-Squared (F²)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Learning Orientation (X2)</th>
<th>Competitive Advantage (Z)</th>
<th>Entrepreneurial Orientation (X3)</th>
<th>Market Orientation (X1)</th>
<th>Marketing Performance (Y)</th>
</tr>
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<tr>
<td>Entrepreneurial Orientation (X3)</td>
<td></td>
<td>2.132</td>
<td></td>
<td>0.183</td>
<td></td>
</tr>
<tr>
<td>Market Orientation (X1)</td>
<td></td>
<td>0.807</td>
<td></td>
<td>0.055</td>
<td></td>
</tr>
<tr>
<td>Marketing Performance (Y)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2023)
When the impact size for a set of independent variables was more than 0.00, it indicated that the value was greater than zero. The analysis was also considered completed and well-designed.

<table>
<thead>
<tr>
<th>Variable</th>
<th>S</th>
<th>SSE</th>
<th>Q² (=1-SSE/SSO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Orientation (X2)</td>
<td>4050.000</td>
<td>4050.000</td>
<td></td>
</tr>
<tr>
<td>Competitive Advantage (Z)</td>
<td>4050.000</td>
<td>1888.616</td>
<td>0.534</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X3)</td>
<td>4050.000</td>
<td>4050.000</td>
<td></td>
</tr>
<tr>
<td>Market Orientation (X1)</td>
<td>4050.000</td>
<td>4050.000</td>
<td></td>
</tr>
<tr>
<td>Marketing Performance (Y)</td>
<td>4050.000</td>
<td>1822.096</td>
<td>0.550</td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

The results show that the marketing performance has a value of 0.550 > 0.000 (high). Meanwhile, the competitive advantage has a value of 0.534 > 0.000 (high).

4.5. Results of Hypothesis Testing

A hypothesis could be supported empirically if it has a p-value of 0.05 and a t-value of 1.960. The results of bootstrapping test can be seen in the following Figure 3:

Source: Processed data (2023)

Figure 3. Results of Bootstrapping Test
Leveraging Strategic Orientations in Achieving a Competitive Advantage Among MSMEs: A Cross-Country Marketing Analysis

Table 7. Bootstrapping Statistics

| Hypothesis | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T-Statistics (|O/STDEV|) | P-Value |
|------------|---------------------|----------------|---------------------------|---------------------------|---------|
| Market Orientation (X1) -> Competitive Advantage (Z) | 0.312 | 0.312 | 0.024 | 12.755 | 0.000 |
| Market Orientation (X1) -> Marketing Performance (Y) | 0.313 | 0.312 | 0.050 | 6.331 | 0.000 |
| Learning Orientation (X2) -> Competitive Advantage (Z) | 0.304 | 0.303 | 0.022 | 14.094 | 0.000 |
| Learning Orientation (X2) -> Marketing Performance (Y) | 0.274 | 0.277 | 0.060 | 4.571 | 0.000 |
| Entrepreneurial Orientation (X3) -> Competitive Advantage (Z) | 0.481 | 0.480 | 0.026 | 18.823 | 0.000 |
| Entrepreneurial Orientation (X3) -> Marketing Performance (Y) | 0.330 | 0.327 | 0.047 | 6.991 | 0.000 |
| Competitive Advantage (Z) -> Marketing Performance (Y) | 1.669 | 1.691 | 0.147 | 11.385 | 0.000 |

Source: Processed data (2023)

The results show that all H1, H2, H3, and H4 can be supported empirically. The market orientation has a positive and significant impact on the marketing performance, with a p-value of 0.000 and t-value of 6.331. Further, the learning orientation also has a positive and significant impact on the marketing performance, with a p-value of 0.000 and t-value of 4.571. Next, the entrepreneurial orientation is also found to have a positive and significant impact on the marketing performance, with a p-value of 0.000 and t-value of 6.991. Furthermore, the competitive advantage also has a positive and significant impact on the market performance, with a p-value of 0.000 and t-value of 11.385.

Market direction (X1) fundamentally influences the upper hand (Z) with a t-measurement of 12.755, surpassing the essential t-table worth (1.970) and a p-worth of 0.000, showing solid factual importance (p < 0.05). This recommends a conclusive positive impact of market direction (X1) on the upper hand (Z). Essentially, the connection between market direction (X1) and showcasing execution (Y) is huge (t = 6.331, p < 0.05) yet shows just a slight constructive outcome on advertising execution (Y). Learning direction (X2) likewise shows a significant effect on the upper hand (Z) with a t-measurement of 14.094, outperforming the essential t-table worth and a p-worth of 0.000. This demonstrates that learning orientation (X2) has a significant positive impact on competitive Advantage (Z). Regardless of an underlying negative example result, the connection between learning direction (X2) and showcasing execution (Y) remains genuinely critical (t = 4.571, p < 0.05), demonstrating a moderate impact on advertising execution (Y).

With a t-statistic of 18.823, which was higher than the critical t-table value and produced a p-value of 0.000, entrepreneurial orientation (X3) has a significant impact on competitive Advantage (Z). This affirms a principal and conclusive positive effect of enterprising direction (X3) on the upper hand (Z). Concerning the impact on advertising execution (Y), while the t-measurement (6.991) surpasses the fundamental worth, the p-esteem (0.000) recommends importance; nonetheless, the impact is considered positive but not huge. Moreover, the upper hand (Z) essentially impacts showcasing execution (Y), as demonstrated by a determined t-measurement outperforming the limit t-table worth and a p-worth of 0.000. This demonstrates how significantly competitive Advantage (Z) influences marketing performance (Y).
The following Table 8 presents the results of hypotheses on the mediating role of competitive advantage on the impact of market orientation, learning orientation, and entrepreneurial orientation on the marketing performance:

| Hypothesis | Original Sample (O) | Standard Deviation (STDEV) | T-Statistics (|O/STDEV|) | P-Value |
|------------|---------------------|----------------------------|-----------------------------|---------|
| Market Orientation (X1) -> Competitive Advantage (Z) -> Marketing Performance (Y) | 0.521 | 0.061 | 8.554 | 0.000 |
| Learning Orientation (X2) -> Competitive Advantage (Z) -> Marketing Performance (Y) | 0.507 | 0.057 | 8.901 | 0.000 |
| Entrepreneurial Orientation (X3) -> Competitive Advantage (Z) -> Marketing Performance (Y) | 0.802 | 0.084 | 9.589 | 0.000 |

Source: Processed data (2023)

The results show that all H5, H6, and H7 can be supported empirically. The competitive advantage mediates the impact of market orientation on the marketing performance, with a p-value of 0.000 and t-value of 8.554. Then, the competitive advantage mediates the impact of learning orientation on the marketing performance, with a p-value of 0.000 and t-value of 8.901. In addition, the competitive advantage mediates the impact of entrepreneurial orientation on the marketing performance, with a p-value of 0.000 and t-value of 9.589.

Based on the statistical analysis, the following is how the computed t-value for the customer satisfaction (Z) variable, which acts as a mediator between the product quality (X1), destination image (X2), promotion (X3), and revisit interest (Y) variables, is determined: First, looking at how market orientation (X1) affects marketing performance (Y) through competitive Advantage (Z), the t-statistic is 8.554, which is higher than the critical t-table value (1.970). With a p-worth of 0.000, showing importance (p < 0.05), and an underlying positive example result, the review approves its speculation. It makes clear that the mediating factor of customer satisfaction (Z) has a significant and positive impact on marketing performance (Y) through market orientation (X1).

The calculated t-statistic for the relationship between learning orientation (X2) and marketing performance (Y), mediated by competitive Advantage (Z), reaches 11.385, exceeding the threshold t-table value (1.970). The study confirms a significant influence of competitive Advantage (Z) on marketing performance (Y) with a p-value of 0.000, below 0.05, and encouraging initial sample results. Finally, the t-statistic is 9.589, exceeding the t-table value of 1.970, when examining the mediation effect of entrepreneurial orientation (X3) on the influence of competitive Advantage (Z) on marketing performance (Y). With a positive initial sample result and a p-value of 0.000, which indicates statistical significance (p  0.05), the study's hypothesis is supported. The mediating variable of competitive advantage (Z) suggests that entrepreneurial orientation (X3) has a significant and positive impact on marketing performance (Y).

4.6. Discussion

The Asset-Based View theory explained that a company’s competitive advantage was derived from its unique assets and capabilities. In this study, the entrepreneurial mindset of
MSME actors contributed to the competitive advantage. The dynamic capabilities, crucial for MSMEs, referred to their ability to adapt to the market changes. The market orientation prioritized customer-centric strategies, while the learning orientation emphasized continuous improvement. The entrepreneurial orientation underscored the innovation and proactiveness. Integrating these concepts offered a framework for interpreting the results and enhancing competitive advantage in the MSMEs. The results of this study are consistent with previous researches, emphasizing the significance of market orientation, learning orientation, and entrepreneurial orientation in improving the MSMEs’ competitive advantage and marketing performance (Adomako, Abdelgawad, Ahsan, Amankwah-Amoah, & Liedong, 2023). These findings also confirm their influence on the marketing performance mediated by the competitive advantage.

The market orientation, as a business philosophy that prioritized the needs and wants of customers, has been found to enhance the competitive advantage (Mthembu & Barnard, 2019). However, this study reveals that the market orientation alone is insufficient to improve the marketing performance, which is consistent with the findings of (Phillips et al., 2023). Further, the learning orientation, which emphasized the acquisition and application of knowledge, enhanced the adaptability and resilience in the dynamic market environment (Wales et al., 2021; Webster et al., 2022). However, similarly, the learning orientation does not directly affect the marketing performance. This finding aligns with previous researches suggesting that the learning orientation indirectly influenced the performance through its impact on other strategic orientations (Eriksson & Heikkilä, 2023; Lepistö, Lintusaari, Oudin, Barreira, Niemi, Karjalainen, Salo, Silvonen, Markkula, Hoiaval, Marjanen, Martikainen, Aurela, Reyes, Oyola, Kuuluvainen, Manninen, Schins, Vojtisek-Lom, Ondracek, Topinka, Timonen, Jalava, Saarikoski, & Rönkkö, 2023). Further, the entrepreneurial orientation, characterized by innovativeness, risk-taking, and proactiveness, significantly increases the competitive advantage (Phillips et al., 2023). However, this study finds that entrepreneurial orientation does not guarantee immediate market benefits, which is consistent with the findings of (Cadden et al., 2023; Castillo et al., 2021).

Furthermore, the results of this study also demonstrate that the competitive advantage serves as a mediator on the relationships between the market orientation, learning orientation, and entrepreneurial orientation on the marketing performance (Daradkeh & Mansoor, 2023). This result is in line with the Resource-Based View (RBV) theory, which explained that the companies could improve their performance by acquiring and utilizing scarce, valuable, unique, and non-substitutable resources and capabilities (Pedraza-Rodríguez, Ruiz-Vélez, Sánchez-Rodríguez, & Fernández-Esquinias, 2023).

5. CONCLUSIONS, SUGGESTIONS, AND LIMITATIONS

The results of this study conclude that the market orientation, learning orientation, entrepreneurial orientation, and competitive advantage have a positive and significant impact on the marketing performance. Further, this study also confirms the mediating role of competitive advantage on the impact of market orientation, learning orientation, and entrepreneurial orientation on the marketing performance of MSMEs in Indonesia, Australia (Perth and Canberra), Egypt, and Saudi Arabia. Based on the results of this study, the MSMEs must regularly conduct the market research, invest in the continuous learning, foster their
entrepreneurial behaviors, increase their technology adoption, and collaborate with more industries in order to achieve sustainable growth and competitive advantage.

However, this study has faced several limitations, mainly the methodology, scope, and generalizability. The methodological issues include potential response bias and the inability to establish causal relationships due to cross-sectional design. The scope limitations involve regional focus and specific orientations, potentially overlooking the variables. In addition, the generalizability issues arise from the sample selection and failure to consider the MSME characteristic variations. Other limitations also include oversimplified interactions, tool limitations, and exclusion of influential variables. Future researches are suggested to address, or avoid, these issues to foster the findings’ applicability in the MSME analysis. In addition, future researches are also suggested to broaden the scope and employ longitudinal methodologies to monitor the impact of the three orientations, incorporating more variables – such as technology adoption and policy dynamics – for a more in-depth analysis.

REFERENCES


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**ADDITIONAL REFERENCES**


