



# Improving Marketing Performance Through the Role of Business Networks as Mediating Variables in MSMEs Bakery Products

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## ABSTRACT

**Purpose** - This study aims to examine the effect of proactive orientation and risk-taking orientation on marketing performance and the role of business network as a mediating variable in Micro MSMEs of bakery products in Serang City. **Methodology**– This study used quantitative methods, instrument testing using SPSS-26, inferential testing, and hypothesis testing using SEM-PLS. The population in this study was 1,075, and the sample used in this study was selected using purposive sampling, resulting in 98 samples that met the criteria. **Findings** – It was found that proactive orientation and risk-taking orientation have positive significant to marketing performance and business network, business network has positive insignificant effect on marketing performance and business network does not mediate the relationship between proactive orientation to marketing performance, and business network does not mediate the relationship between risk-taking orientation to marketing performance. **Novelty**– The novelty in this research is the involvement of business network as mediators in MSMEs in the food sector, especially dry bakeries in Serang City.

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## INTRODUCTION

The increasingly competitive business environment makes marketing performance one of the factor that can play a role in determining business success and measure the extent to which the business is successful in achieving its goals through marketing activities, especially in Micro, Small Medium Enterprise (MSMEs). Marketing performance is considered a measure of the company's success in increasing its sales, and is related to how a company or entrepreneur can maintain its relationship with customers, add value and respond quickly to market needs in taking advantage of existing opportunities (Alicia et al., 2023). One approach that can be used to improve marketing performance is through the application of proactive orientation and risk-taking orientation, which are covered by entrepreneurial orientation (Suder et al. (2024). The focus of this research is on bakery products, according from Undang-Undang Nomor 20 Tahun 2008 tentang Usaha Mikro, Kecil dan Menengah (UMKM) or with annual average criteria of at most Rp. 300,000,000, -, which can be seen in Table 1.1 below:

**Table 1 Total of Business Owners and Average Income of Bakery MSMEs**

Year	Total Of Business Owners	Average Income
2022	1169	Rp 51.164.671
2023	1071	Rp 48.553.221
2024	1075	Rp 48.326.047

Source: Data DISPERINDAGKOP Kota Serang (2022, 2023 & 2024).

The illustration in Table 1 shows that there has been a development in the number of MSMEs and the average income of micro-scale businesses engaged in bakery products over the past three years, namely 2022, 2023, and 2024. In 2022, the number of MSMEs recorded was 1,169 businesses with an average income of IDR 51,164,671, then experienced a decrease in the number of businesses in 2023 to 1,071 businesses and average income to IDR 48,553,221, then in 2024 the number of MSMEs in this sector increased to 1,075 businesses, but inversely proportional to the average income which actually tended to decrease so that the average income in 2024 was IDR 48,326,047. The fluctuating number of businesses and average income in this sector illustrates a business phenomenon that indicates that businesses in the micro bakery MSME sector have the potential to grow again and have the ability to face challenges in a competitive market.

efforts to marketing outcomes. In addition, marketing performance in MSMEs has often been measured narrowly, relying heavily on financial indicators such as sales growth, while broader aspects like customer loyalty, brand awareness, and market expansion—which are particularly crucial for bakery MSMEs—have received less focus. Most of the available literature also comes from developed countries, whereas research in emerging markets such as Indonesia, where bakery MSMEs face resource limitations and strong competition, is still scarce. Finally, while digital platforms and social media have become increasingly vital for bakery MSMEs to build relationships and promote their products, few studies integrate both traditional offline networks and modern online networks as mediating factors in enhancing marketing performance. These gaps highlight the need for further investigation into the mediating role of business networks in improving marketing performance, especially within the context of bakery MSMEs in emerging economies.

This study offers novelty by specifically examining bakery MSMEs, a sector that has received little scholarly attention despite its unique challenges such as product perishability, trend-driven demand, and high market competition. Unlike most previous studies that analyze business networks only as direct factors influencing firm performance, this research positions business networks as a mediating variable, highlighting their strategic role in bridging MSMEs' internal capabilities and marketing outcomes. Furthermore, the study introduces a more comprehensive measurement of marketing performance, not only based on financial indicators like sales growth, but also including non-financial aspects such as customer loyalty, brand awareness, and market expansion—dimensions highly relevant to the bakery industry. Another novelty lies in the integration of offline and online networks, acknowledging how traditional community-based relationships and modern digital/social media platforms jointly shape the competitiveness of bakery MSMEs. Conducted within the context of an emerging market (Indonesia), this study contributes new empirical insights that enrich the literature on MSMEs, business networks, and marketing performance in resource-constrained environments.

## LITERATURE REVIEW

Marketing performance is the company's success in utilizing innovation, knowledge, and the environment to increase competitiveness in the market (Chong et al., 2016). Marketing performance encompasses the processes, technology, and actions taken by marketers (entrepreneurs or companies) to plan marketing activities and conduct marketing evaluations based on marketing objectives. Successful implementation of marketing performance and marketing strategies will impact sales volume and sales growth. The marketing performance process also involves market sensing, which helps identify opportunities and develop new products to enhance a company's competitive advantage (Zhang et al., 2015). The use of marketing performance indicators, such as sales growth, expansion of market coverage, increasing product value, and diversification of product offerings (Nuryakin & Ardyana, 2018). In a study described by Ha et al. (2021) it is stated that entrepreneurship characterized by proactivity and risk-taking plays a very important role in building sustainable entrepreneurship or business in an era of rapid change in the business environment, thereby contributing to maintaining competitive advantage.



Proactive orientation is the ability of a company or business to take advantage of market opportunities by taking action and seeking solutions to challenges that may arise in the future (Tyler et al., 2024). A proactive orientation in research on small and medium-sized enterprises (SMEs) in South Africa conducted by Robb & Stephens (2021) explains that the role of proactive orientation is to identify opportunities, take advantage of changes in the target market, and take careful and appropriate initiatives in every situation. It can be said that proactive behavior encourages SMEs to innovate and respond quickly to market opportunities, thereby contributing to better marketing performance, particularly in the context of exports. Indicators include the company's ability to take initiatives, courage to take strategic risks, ability to identify opportunities and ability to take advantage of changes (Rashid et al., 2020).

Risk-taking orientation is the company's tendency to take risks on its business projects that involve uncertainty with the aim of being able to explore opportunities and improve performance (Ha et al., 2021). Risk-taking orientation is the courageous act of taking risks in making investments or carrying out projects with uncertain outcomes. This courageous attitude towards risk-taking is important for companies to gain a competitive advantage in the market. However, the application of this risk-taking orientation must still be carefully considered so as not to cause excessive losses (Musawa & Ahmad, 2018). Indicators for the Risk-taking Orientation variable in the context of MSMEs include four main aspects, namely the company's courage to carry out projects with high risk, the company's ability to take aggressive actions, the company's willingness to take big steps and the company's bold and confident attitude when facing decisions amid high economic uncertainty (Rashid et al., 2020).

Business networking is the management of business relationships facilitated by information technology, in utilizing cooperation with various partners to achieve better common goals (Rasouli et al., 2019). A business network is a series of formal business relationships that are systematically connected between business actors or organizations, such as competitors, suppliers, customers, distributors, and the government. These business relationships aim to exchange resources and make collective efforts to achieve common goals. Business networks and marketing performance are interrelated. Business networks enable SMEs to access complementary resources, market knowledge and information, and other operational needs, allowing them to compete competitively in the market and improving marketing performance due to the role of these business network (Jeong et al., 2019). Business network indicators include resource access, proactively seeking new, trusting relationships and understanding of partners (Jiang et al., 2020).

## METHOD

The research method used is quantitative method. The data collection method uses primary data from the results of distributing questionnaires through online and offline media and secondary data sources based on data obtained from the Dinas Perdagangan Industri dan Koperasi of Serang City. Instrument testing and descriptive analysis tests used SPSS, while the outer model and inner model tests used SEM PLS. The population in this study amounted to 1,075. The sample used in this study used non-probability sampling with purposive sampling method, with the following sample criteria

1. Respondents who run their business for at least 2 (two) years.
2. Respondents who own production houses in Serang City.
3. Respondents who produce and market their products.

In accordance with the sample criteria above, a total sample of 98 respondents was obtained.

## RESULT AND DISCUSSION

### Descriptive Analysis Test Results

**Table 2** Characteristics of Respondents

Categories By Length Of Business	Persentase
2 - 3 years	51.0%

4 - 5 years	28.6%
>5 years	20.4%
<b>Categories by Business Activities</b>	<b>Persentase</b>
Production	0.02%
Product & Market	99.98%

Source: Primary Data Processed (2025)

Table 2, can explain that the majority of business owner have a range of business lengths of 2 to 3 years, with the dominated by 99.98% of business owner who produce bakery as well as market their products.

**Table 3 Validity Test Results**

Measurement Model	Indicator	Results		Critical Value	Description
		r value	Sig (2-tailed)		
Person Corellation	Marketing Performance				
	MP1	0,727	0,000	r tabel = 0,361 Sig < 0,05	Valid
	MP2	0,909	0,000		Valid
	MP3	0,899	0,000		Valid
	MP4	0,823	0,000		Valid
	Proactive Orientation				
	PO1	0,882	0,000	r tabel = 0,361 Sig < 0,05	Valid
	PO2	0,901	0,000		Valid
	PO3	0,942	0,000		Valid
	PO4	0,875	0,000		Valid
	Risk-Taking Orientation				
	RTO1	0,767	0,000	r tabel = 0,361 Sig < 0,05	Valid
	RTO2	0,826	0,000		Valid
	RTO3	0,878	0,000		Valid
	RTO4	0,763	0,000		Valid
	Business Network				
	NB1	0,511	0,004	r tabel = 0,361 Sig < 0,05	Valid
	NB2	0,649	0,032		Valid
	NB3	0,845	0,000		Valid
	NB4	0,796	0,000		Valid

Source: IBM SPSS Data Results Version 26 (2025)

Based on the validity test results in Table 3, it shows the rcount value which is greater than the rtable (0.361) and the significance value (2-tailed) below 0.5. So that the test results of the instruments used in this study are declared valid.

**Tabel 4**  
**Reability Test Results**

Variabel	Crobanch Alpha	N	Description
<i>Marketing Performance</i>	0,826	30	Reliabel
<i>Proactive Orientation</i>	0,837		Reliabel
<i>Risk Taking Orientation</i>	0,812		Reliabel
<i>Business Network</i>	0,783		Reliabel

Sumber: Hasil Data IBM SPSS Versi 26 (2025)

Table 4, it shows that all research variables have a Cronbach alpha value > 0.70 and composite reliability > 0.70. The reliability test results above show the cornbach alpha value above 0.70, so this study has met the requirements for good reliability.

## Inferential Test

### Outer Model

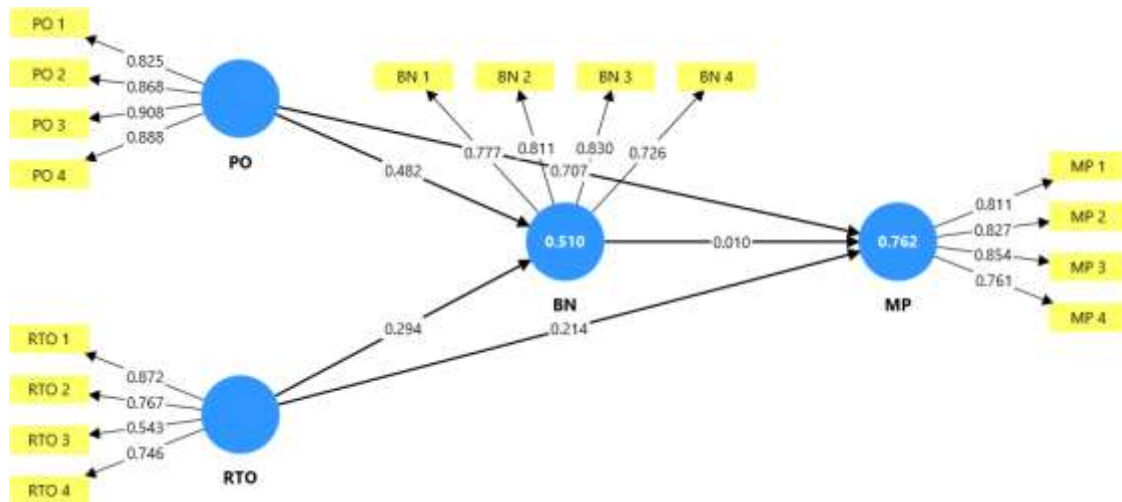


Figure 1.1 Outer Loading Test Results  
Source: Smart-PLS Data Processing (2025)

Convergent validity is declared achieved if the outer loading value of each indicator on its construct ranges from 0.4 - 0.7, this refers to Hair et al. (2022), this study has met the criteria.

**Table 5**  
*Average Variance Extracted (AVE) Test*

Indicator	AVE	Crisis Value	Description
NB	0.619	Crisis Value > 0,5	Valid
MP	0.663		Valid
PO	0.762		Valid
RTO	0.550		Valid

Source: Smart-PLS Data Processing (2025)

Based on the results of the smart-pls application output and outer loading in Table 5, it shows that the AVE value for each variable is > 0.5, so that the convergent validity value can be categorized as good.

**Table 6**  
*Discriminant Validity Value*

INDIKATOR	NB	MP	PO	RTO
NB 1	0.777	0.574	0.609	0.572
NB 2	0.811	0.489	0.493	0.542
NB 3	0.830	0.495	0.557	0.471
NB 4	0.726	0.370	0.459	0.322
MP 1	0.503	0.811	0.649	0.681
MP 2	0.496	0.827	0.719	0.537
MP 3	0.537	0.854	0.745	0.576
MP 4	0.493	0.761	0.679	0.476
PO 1	0.624	0.763	0.825	0.688
PO 2	0.627	0.717	0.868	0.502
PO 3	0.583	0.768	0.908	0.585
PO 4	0.537	0.744	0.888	0.577
RTO 1	0.621	0.641	0.678	0.872
RTO 2	0.413	0.461	0.400	0.767
RTO 3	0.339	0.207	0.168	0.543
RTO 4	0.417	0.630	0.597	0.746

Source: Smart-PLS Data Processing (2025)

Table 6 shows that the loading value of each indicator has a high value compared to other constructs.

## Inner Model

**Tabel 7 Collinearity Test**

Variabel	VIF
NB -> MP	2.043
PO -> NB	1.840
PO -> MP	2.314
RTO -> NB	1.840
RTO -> MP	2.017

Source: Smart-PLS Data Processing (2025)

Collinearity results in table 7 according to Hair et al. (2021) to determine the absence of multicollinearity problems between exogenous variables (dependent variables) that can affect the path coefficient can be seen based on the Variance Inflation Factor (VIF) value, with an ideal value below 3 or 5. And in this study the VIF value is below 3.

## *R-squared* atau $R^2$

According to Hair et al. (2021) *R-squared* or  $R^2$  is used to assess the ability of exogenous constructs to explain variations that occur in endogenous constructs.

**Table 8 *R-square* Value**

Indikator	<i>R-square</i>	<i>R-square adjusted</i>
NB	0.510	0.500
MP	0.762	0.755

Source: Smart-PLS Data Processing (2025)

Table 8, it shows that NB is influenced by the proactive orientation and risk-taking orientation variables by 0.510, which is in the medium category and MP is influenced by proactive orientation and risk-taking orientation by 0.762 or in the high category. This categorization refers to Hair et al. (2021).

## Hypothesis Test Results

**Table 9 Hypothesis Test**

Hypothesis	Relationship	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
H1	PO -> MP	0.707	0.699	0.083	8.500	0.000
H2	RTO -> MP	0.214	0.216	0.085	2.515	0.012
H3	PO -> NB	0.482	0.476	0.109	4.409	0.000
H4	RTO -> NB	0.294	0.302	0.130	2.262	0.024
H5	NB -> KP	0.010	0.018	0.068	0.143	0.886
H6	PO -> BN -> MP	0.005	0.007	0.033	0.144	0.885
H7	RTO -> BN -> MP	0.003	0.007	0.024	0.120	0.905

Source: Smart-PLS Data Processing (2025)

Based on Table 9 the results of the hypothesis testing above, the results show that: H1) Proactive orientation has a significant positive effect on marketing performance; H2) Risk-taking orientation has a positive and significant effect on marketing performance; H3) Proactive orientation has a significant positive effect on business network; H4) Risk-taking orientation has a positive and significant effect on business network; H5) Business network has a positive and not significant effect on marketing performance; H6) Business network does not mediate the relationship between proactive orientation and marketing performance; H7) Risk-taking orientation does not mediate the relationship between proactive orientation and marketing performance.

## DISCUSSION

The findings of this study provide empirical results that support the relationship between proactive orientation, risk-taking orientation, business network and marketing performance, with the hypotheses accepted and rejected.

### Proactive Orientation On Marketing Performance





Proactive orientation has a positive and significant effect on marketing performance, based on a path coefficient of 0.707 and  $p\text{-value} = 0.000$ . Proactive orientation is the focus of business owner to be active in seeking and utilizing opportunities, following trends and adapting to market changes so that it has a positive impact on their marketing performance. The results of this study are in line with the results of research conducted by Ferreira et al. (2021) and Suder et al. (2024).

### **Risk-Taking Orientation on Marketing Performance**

Risk-taking orientation has a positive effect based on marketing performance, a path coefficient of 0.214 and is significant on marketing performance and  $p\text{-value} = 0.012$ . In risk-taking orientation, it shows the courage of business owner in taking risks, such as holding promotions and large discounts and taking big steps even in an unstable economic environment, but still this strategic step is carried out prudently and this is done to improve their marketing performance. The results of this study are supported by previous research conducted by Suder et al. (2024), Jalali et al. (2014) and Ferreira et al. (2021).

### **Proactive Orientation On Business Network**

Proactive orientation has a positive effect on business network based on a path coefficient of 0.482 and is significant to marketing performance and  $p\text{-value} = 0.000$ . Business owner proactively apply their proactive attitude in developing their business network by actively seeking new partners, utilizing the community, relationships, and the use of social media.

### **Risk-Taking Orientation on Business Network**

Risk-taking orientation has a positive effect on business network based on a path coefficient of 0.294 and is significant to marketing performance and  $p\text{-value} = 0.024$ . Business owner apply a risk-taking orientation in an effort to expand business network, this risk-taking occurs mostly in the context of cooperation, so that in the context of business network, risk-taking can also occur in cooperation, so commitment and mutual trust become the focus and challenge in this case.

### **Business Network On Marketing Performance**

Business network on marketing performance have a positive effect on business network based on a path coefficient of 0.010 and not significant on marketing performance and  $p\text{-value} = 0.886$ . The results of this study indicate that the utilization of business network has not optimally improved marketing performance. Business owner still have obstacles in establishing relationships or cooperation with partners to expand business network.

### **Business Network Mediates the Relationship Between Proactive Orientation and Marketing Performance**

The business network does not mediate the relationship between proactive orientation and marketing performance, as indicated by statistical results based on a path coefficient of 0.005 and significant for marketing performance with a  $p\text{-value}$  of 0.885. These statistical results indicate that business owner do not yet consider business networks as an important factor for improving marketing performance, as business owner still predominantly rely on internal resources in running their businesses, and the role of business networks has not yet become a primary channel for implementing proactive attitudes toward marketing improvement efforts.

### **Business Network Mediates the Relationship Between Risk-taking Orientation and Marketing Performance**

Business networks do not mediate the relationship between risk-taking orientation and marketing performance, as indicated by statistical results based on a path coefficient of 0.003 and not significant for marketing performance with a  $p\text{-value}$  of 0.905. These statistical results indicate that business networks do not mediate the relationship between risk-taking orientation and marketing performance. Business owner believe that they are not yet fully prepared to involve business networks in improving marketing performance in the bakery sector, as this is considered risky. They believe that involving external resources through business networks requires additional effort, including in terms of funding.

## CONCLUSION

Based on the results of the study, several conclusions can be drawn from the study entitled “Improving the Marketing Performance of MSME Bread Products in Serang City Through Business Networks,” as follows proactive orientation has a positive and significant effect on marketing performance. Risk-taking orientation has a significant positive influence on marketing performance. Risk-taking orientation has a significant positive influence on marketing performance. Proactive orientation has a positive effect on business network Business networks have a positive but insignificant influence on marketing performance. Business networks dont mediate the relationship between proactive orientation and marketing performance. And the last business networks dont mediate the relationship between risk-taking orientation and marketing performance.

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