

ABSTRACT

The aim of this research is to develop smart relational capability in bridging the gap in research between entrepreneurial orientation and marketing performance.

Samples of this research are companies in woodcraft industry in Bandung, Yogyakarta, and Surakarta. The technical collecting sample is the combination of purposive sampling and convenience sampling. For the data collection, there are only 191 correspondents used for further analysis. Moreover, Structural Equation Modeling – SEM with AMOS program are used for data analysis purpose.

The result research showed smart relational capability is used as mediating role in the relationship between entrepreneurial orientation and marketing performance. Furthermore, it showed that value creation advantage and network advantage has positive effect to marketing performance. Consequently, to improve marketing performance, firms need to generate smart relational capability through developing business relationships that emphasized on the sharing of information and knowledge activity, reciprocal character, and solution-oriented.

Keywords: entrepreneurial orientation, smart relational capability, social network quality, competitive advantage, marketing performance.