

ABSTRACT

This research aims at building a new concept, that is transformative relational marketing power to bridge the gap of research on the influence of entrepreneurship orientation on marketing performance. A new concept is reviewed extensively using a relevant theoretical review and tested in empirical research conducted in small and medium industries.

The data are collected empirically through the natural fiber craft industrial business actors in Java, namely Yogyakarta, Central Java and West Java. The sample distribution is given to 450 respondents using purposive sampling and convenience sampling. The model and hypothesis testings use Structural Equation Model (SEM) analysis using AMOS software.

From the seven hypothesis fully proposed, the model indicates that six hypothesis are found to significant influence and one hypothesis shows insignificant influence. However, in this research the research gap testing is done separately, aiming at seeing the direct influence of the proposed new concept. Based on the empirical testing, the seven proposed hypothesis are found to have significant influence on the marketing performance improvement.

The result of Sobel Test indicates that transformative relational marketing power can significantly mediate the gap between entrepreneurship orientation and marketing performance. Statistically, transformative relational marketing power is found to be able to bridge the gap between entrepreneurship orientation and marketing performance. The higher the entrepreneurship orientation that business actors have the higher the chance for transformative relational marketing power to materialize and in turn it will improve marketing performance.

Keywords: *Entrepreneurship orientation, Transformative relational marketing power, responsiveness to customers, capability to integrate partners, marketing performance*