

## ***ABSTRACT***

Consistently Small and medium enterprises strive to respond to market changes and competition so that business performance remains optimal. Therefore, having superior resources is an important point for companies to win the competition. The background of this research is that there is a research gap on entrepreneurial orientation towards marketing performance. these research gaps and differences in results prompted the development of this research.

The new conceptual model developed in the research is rooted in the resource advantage theory of competition. Preemptive Market Exploitability (PME) was proposed as a mediating variable in filling the gap in research on entrepreneurial orientation and marketing performance. The synthesis of the theory answers the problems that have been described and becomes an illustration of the company's strategy to improve its business performance. Preemptive Market Exploitability is the company's ability to first exploit the market with the characteristics of being quick to make business decisions, quickly providing solutions to market needs and demands and aligning future market demands. continuously provide support for resources to upgrade their competence in order to quickly develop and introduce products to the market.

Non-probability sampling with purposive sampling technique is the choice in this study. The final sample in this study were 264 business owners in the craft sub-sector creative industry in four districts in Central Java. SPSS program and SEM AMOS version 22 structural equation model were used to analyze the data and test hypotheses.

Quantitative analysis resulted in the acceptance of the proposed hypothesis with several significant findings. The most important finding is that companies must invest in resource development so that Preemptive Market Exploitability becomes a capability as well as a strategic asset of the company in improving marketing performance. The contribution of this research provides a new perspective on the very important role of management in configuring a strategy based on the advantages of developed resources and the dynamics of competition should be understood as a strategy that provokes an imbalance through an innovation strategy. Preemptive Market Exploitability provides evidence that the concept is worthy of being called a contributory novelty.

**Keywords:** *Entrepreneurial Orientation, preemptive market exploitability, Quality based differentiation, market orientation, technology capability, marketing performance .*