

## **ABSTRACT**

*The development of MSMEs in Indonesia is quite rapid, especially in the food and beverage sector, the food and beverage sector is one of the main pillars in the economy, especially for developing countries such as Indonesia. Food and beverage SMEs face various challenges, such as limited capital, difficult market access, changing consumer preferences, and increasingly fierce competition. This research aims to bring marketing orientation to a more productive and profitable direction for the company's overall marketing strategy, with the ultimate goal of improving marketing performance as it should. Of course, this research will answer the inconsistencies in the results of previous research by developing conceptual variables involving network capability, marketing innovation, and marketing agility variables. This study uses the perspective of the Resource advantage Theory of Competition which is strengthened from previous research. Respondents in this study are business actors in the field of food and beverage MSMEs in the city of Bandung. Data collection in this study involved 249 respondents who were analyzed quantitatively using Structural Equation Modeling (SEM) with the Analysis of Moment Structures (AMOS) version 24 program.*

*The results in this study indicate that there is a relationship between market orientation with marketing performance that is strengthened by the mediation of network capability, marketing innovation and marketing agility. Market orientation has a positive influence on network capability which has a positive influence on marketing agility so that it can affect marketing performance. Then market orientation has a positive influence on marketing innovation which has a positive influence on marketing agility which has a positive influence on marketing performance. There is one hypothesis that is not rejected, namely the relationship between marketing innovation and marketing performance. It is hoped that this research can be useful for SME owners, especially in the food and beverage sector, to achieve business competitive advantage by designing good strategies.*

**Keyword: Market orientation, Marketing Performance, SMEs**