## **ABSTRACT**

This study aims to determine and analyze how the effect of marketing capabilities on marketing performance of SME catering practitioners in Semarang and surrounding areas. Factors examined in this study such asinnovation capability, learning capability, operational capability, brand manajement capability, customer relationship capability, marketing capability and marketing performance. This research is important because it can provide information about the variables that influence the development of SME catering in Semarang.

This research was conducted by collecting data from catering SME entrepreneurs in Semarang and surrounding areas who already have business licenses from related agencies. The data used are primary data, which consists of responses from SME catering owners as respondents. The data collection technique used in this study was non-probability, whereas the sampling was done by the conventional convection sampling method.

The conclusions of this study are (1) innovation capability has a significant effect on marketing capability, (2) learning capability has a significant effect on marketing capability, (3) operational capability has a significant effect on marketing capability, (4) brand management capability has a significant effect on marketing capability, (5) customer relationship capability has a significant effect on marketing capability, and (6) Marketing capability have a significant effect on marketing performance. The results of this study illustrate that marketing capabilities and marketing performance can be explained by these factors.

Keywords: innovation capability, learning capability, operational capability, brand management capability, customer relationship capability, Marketing capability, marketing performance.