

## ABSTRACT

There was still a different opinion regarding entrepreneurship orientation toward the creation of the quality of marketing strategy and competitiveness advantage to improve business performance. Problem statement of this research is how to develop the quality of marketing strategy and competitiveness advantage with entrepreneurship orientation that influenced by environment to improve business performance of Micro and Small Medium Enterprises receiving KUR (*Kredit Usaha Rakyat* or loan for community business) at Bank BRI Semarang Pattimura Branch. This research aims to investigate the influence of environmental and entrepreneurship orientation toward quality of marketing strategy and competitive advantage to improve business performance.

The samples of this research are the 111 owners of Micro Small and Medium Enterprise (UMKM) of KUR receiver at Bank BRI Semarang Patimura branches that taken randomly. Data of this research were analyzed using SEM with AMOS.16 software.

Variable of quality of marketing strategy have significant influence to business performance. The UMKM managers need to improve their response capability towards kinds of suitable marketing strategy through defining proper sales price, choosing effective promotion medias, proper product distribution, and always focus to customers' needs. Entrepreneurship orientation could increase the quality of marketing strategy. Consequently, the firm managers need to have innovative capabilities, pro-active capabilities, skill on risk taking, as well as having high futurity. Competitive advantage could increase the variable of business performance. To improve business performance of UMKM, firm managers need to improve their innovative capability, production capability, and marketing management capabilities. Entrepreneurship orientation could increase competitive advantage. The strategic implication is firm managers need to have willingness to apply entrepreneurship re-orientation effectively. Finally, the environmental variable could improve entrepreneurship orientation; it is mean, firm managers should adapt to business environmental such as community socio-economic, political climates, and competition condition between UMKM.

*Key words: Environmental, entrepreneurship orientation, quality of marketing strategy, competitiveness advantage, and business performance.*