COMPETITIVENESS, MARKETING ACCESS, NETWORK CAPABILITY AND ITS IMPACTS ON MARKETING PERFORMANCE

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Abstract

This study is to determine what factors influencingthe performance of SMEs. The population in this study is SMEs in the Central Java. Sample collection was conducted with a purposive sampling method. Criteria used to take into accountis the SMEs that are already running at leastfortwo years. The sample in this study is intended as the representative of total population 67 (sixty seven). The data were processed and analyzed by computer program of SPSS 20 for Windows. Based on the results of regression analysis, it can be concluded that competitiveness has positive and significant impact on marketing performance marketing access has positive and significant impact on marketing performance. It means that the higher competitiveness and marketing access, the higher its performance. Competitiveness and marketing access have influence on SMEs' performance through network capability.

DAYA SAING, AKSES PEMASARAN, KAPABILITAS JARINGAN USAHA DAN DAMPAKNYA PADA KINERJA PEMASARAN

Abstrak

Penelitian ini untuk mengetahui faktor-faktor apa yang mempengaruhi kinerja UMKM. Populasi dalam penelitian ini adalah UMKM di Jawa Tengah. Pengambilan sampel dilaksanakan dengan metode purposive sampling Kriteria-kriteria yang digunakan dalam pertimbanganyaitu UMKM yang sudah berjalan minimal dua tahun. Sampel dalam penelitian ini dimaksudkan sebagai wakil dari populasi yang akan diteliti berjumlah 67 (enam puluh). Data dianalisis dengan menggunakan program SPSS 20 for windows. Berdasarkan hasil pengujian analisis regresi dapat disimpulkan bahwa daya saing berpengaruh positif dan signifikan terhadap kinerja pemasaran. Akses pemasaran berpengaruh positif dan signifikan terhadap kinerja pemasaran. Hal ini berarti bahwa semakin tinggi daya saing dana ksespemasaran maka semakin tinggi kinerjanya. Daya saing dana ksespemasaran berpengaruh terhadap kinerja pemasaran UMKM yang dimediasi oleh kapabilitas jaringan usaha.

JEL Classification: M3, M31

INTRODUCTION

Recent fast growing business followed by its competitiveness cannot be avoided. It makes company should face various chances and threats from domestic or foreign parties. An entrepreneur as business competitor is demanded to recognize and understand what is going on in market and know what is needed by market. Entrepreneur also needs to identify changes in business field so it can compete with other companies. Business competitiveness is not only faced by big companies but also indirectly faced by small business for example Small Medium Entrepreneurship (SMEs).

SMEs is a business activity dominating more than 95% of national economic structure. This sector has a strategic role both in socio-economic or socio-politic. Economic function of this sector is to provide goods and services for consumers with small and medium purchasing power, contribute more than half of economic growth as well as foreign exchange income. In socio-politic view, this sector is also prominent, especially in manpower absorption and reducing poverty. SMEs have given significant constribution in economic growth, but most of research innovation management in manufacture sector has been focused on big organization (Terziovski, 2006).

SMEs has an important role in development of people-based economic activities in many sectors and community empowerment; more it is also as a business alternative in the global economic crisis that had stricken big businessman in Indonesia. It is proven by the data aboutthe number of business unit development from 2012-2013.

Implementation of ASEAN Economic Community (AEC) in the end of 2015 has been a challenge for SMEs' products in Indonesia. In this case, competitiveness increase of SMEs plays key factor to face the challenge and take benefits from MEA implementation 2015. SMEs is a business sector contributing to manpower absorption for 96.99% with more than total number of Indonesia population 114.144.082 people, comparing to big business which only 3.01 %.

The current problem of SMEs is having a low productivity (Susilo, 2005). It relates to: (i) low human resources quality in micro level business, and (ii) low business competitiveness in micro level business. Besides, SMEs also face other factors that has been a constraint in increasing competitiveness and SMEs performance. Those factors are (i) limited access of capital, (ii) limited access of market, and (iii) limited access of information about resources and technology.

Effort to encourage SME has been done by government. While, various facilitation as one of the way to increase SMEs products' competitiveness, especially regarding to face AEC has also been done. Innovation becomes factor that should be taken into account by SMEs. SMEs can get advantages from innovation, but they also can get disadvantages (Rothwell & Dodgson, 1991). SMEs will confront big chal-

Table 1. Table of Business Unit Development – SMEs

No	Business	2012		2013		Development	
		Total	%	Total	%	Total	%
1	MSMEs+Big Business	56.539.560		57.900.787		1.361.227	2,41
2	MSMEs	56.534.592	99,99	57.895.721	99,99	1.361.129	2,41
3	Micro business	55.856.176	99,00	57.189.323	98.77	1.333.217	2,39
4	Small business	629.418	1,09	654.222	1,13	24.803	3,94
5	Medium business	48.997	0.08	52.105	0.09	3.110	6,35
6	Big business	4.968	0.01	5.066	0.01	98	1,97

Source : Ministry of Cooperatives and SMEs

lenge to race against technology innovation. (Gnyawali & Park, 2009).

According to Romijn and Albaladejo (2002), index of experimental innovation is used together with a conventional proxy of innovative performance. This indicator has correlation with variable, getting a variety of important and potential internal sources, such as education, previous working experience and R & D as well as steps of external interaction intensity and closeness of networking. The finding supports the importance of R & D, important role by regional basis of science in keeping advanced technology, and close to the suppliers. However, there is no supports for current policy, regional network supports company in running business and close relationship of customer.

While some successful models of continuous and developing SMEs enables that SMEs network will be essential to solve systemic problem related to; industrial ecology; company endurance and continuity of global supply chain; SMEs represents majority of all companies, and rapid development of technology communication which enables to build various rute of networking (Moore & Manring, 2009).

The presence of network will help developing SMEs. SMEs which has strong network will be more free and easy in developing its business. Strong network and heterogenous bounding will improve SMEs innovation (Gronum et al., 2012). Some researchers (Bengesi, 2012; Lukiastuti, 2012) had examined many factors such as business networking capability in affecting marketing performance of SMEs. However, that study has not included variable of marketing access as one of factors affecting SMEs performance. Whereas, access of market information is one of general weakness experienced by SMEs in Indonesia. The point of interest in this study is able to see variable of marketing access which has not been examined by previous researchers.

This study was done to identify the impacts of competitiveness onnetwork capability, the impacts of marketing access onnetworkcapability, the impacts of competitiveness on mar-

keting performance, the impacts of network capability on marketing performance, the impacts of business networks capability on marketing performance, whether or not network capability mediates the impacts of competitiveness on marketing performance of SMEs in Central Java, whether or not network capability mediates the impacts of marketing access on marketing performance of SMEs in Central Java.

Hypothesis Development
The Relationship between Variable and Hypothesis Development
The Impact of Competitiveness and Network Capability

Every company that competes in a business field has a desire to be better than its competitors. Porter (1990) explained that competitive advantageis the heart of marketing performance to face competition. Competitive advantage is defined as benefit strategy of company, which do cooperation, to create more effective competitive advantagein the market. Company with high competitiveness will have broad network to other business because the network among businessman, actually is a capital for creating competitiveness. (Putri, 2016)

Competitiveness of a product is needed as an evaluation and motivation to increase the performance, because it is used to overview how far a company can fulfil market demand, both domestic or international, in producing goods and service, while still keeping or increasing the company and employee income. This competitive advantage is influenced by internal and external factor so it is need the appropriate strategy (Asmarani, 2009; Hussain, 2010).

Competitive strategy according to Asmarani (2009), is known as genetic competitive strategis where this strategy is based on position analysis of a company in industry, whether or not the profit is above or under average industry. Thus, the company is able to create sustainable competitive advantage. To reach this, company can get two basic types of competitive advantage; low cost or differentation and focus. Significant strength and weakness of company,

in the end, is a function of relative cost and diffe-rentiation impacts. Company with high compe-titiveness will have broad network to other busi-ness because the network among businessman, actually is a capital for creating competitiveness.

H1: Competitiveness has positive impact on network capability

The Relationship between Marketing Access and Network Capability

Peluso and Ribbot (2003) defined the concept of access as the ability to derive benefits from things including material objects, persons, institutions and symbols. This concept simp-ly explains further that access gaining does not depend on " ownership" for desirable resources. Someone can get benefits for certain resources even if he does not have "right" for its usage. In other words, that person has access to get bene-fits from certain resources. It possibly happens when someone can get access from other par-ties, who has ownership right of resources.

There are some factors which can creates that access. Peluso and Ribot (2003) declared that the factors are: technology, manpower ca-pital, market, knowledge, authority, social iden-tity, and social relation. Those factors will create access gaining on individual. It means that those factors are considered as prior assets of person.

Talking about marketing, according to American Marketing Association is the process of planning and executing the conception, pri-cing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy in-dividual and organizational goals. Ability to have business network among businessman is influen-ced by how much access of external factors outsi-de of company. Therefore, the hypothesis propo-sed in this study is mentioned as follow:

H2: Marketing access has positive impacts on network capability

The Relationship Between Competitiveness and Marketing Performance

Porter (1990) explained that competitive advantage is attribute(s) of marketing perfor-mance to allow an organization to outperform

its competition. Competitive advantage is de-fined as benefit strategy of company, which do cooperation, to create more effective competiti-ve advantage in the market. This strategy should be design to realize the sustainable competitive-ness advantage so the company can dominate both in the market or new market. Aji (2014) showed that there is a positive impact between competitiveness and marketing performance. Marketing performance is measured by sales growth, customers growth, and new market. Higher competitiveness will increase marketing performance. Hence, competitivenesss has po-sitive impact on the increase of company mar-keting performace. Therefore, the hypothesis proposed in this study is:

H3: Competitiveness has positive impact on performance

The Relationship between Marketing Access and Marketing Performance

Literally, an access means enter the entry-way. Pelluso and Ribot (2003) defined access as the ability to make benefits, including material object, people, institution and symbol. Thus, access is way or ability to make an advantages from certain project, people, institution and symbol. The presence of business information has played an important role in starting new company. Singh and Kresna (1994), in the rese-arch about entrepreneurship in India, asserted that the desire to search information is one of characteristic of an entrepreneurship. Infor-mation searching represents contact frequency done by individual from various information resources. The result from this activity depends on accessibility of information, both from in-dividual effort and human resources or part of social resources and network. Therefore, the hypothesis proposed in this study is:

H4: Marketing access has positive impacts on performance

The Relationship between Network Capability and Marketing Performance.

Network, which is implicated as an action in doing contact with other person or organi-

sation, can be categorized as human resources (Dollinger, 1999) and network is an alternative way to use internal resources. Network is variable that is considered important for all types of company, especially related to the fact that business field is getting competitive. Although all companies take part in formal and informal network, bigger companies are more possible to make long-term agreement, while smaller companies, entrepreneurial companies tend to be involved in more personal and reciprocal contract. Other technological and multiple organisational learning possibly happen in informal network (Malecki, 1997) or formal network.

Information and knowledge are fasten better understanding about strong and flexible relationship development to the customers, and also to members of other supplier chain. Closer relationship to the suppliers will give strong contribution on company performance, for instance cost efficiency, quality improvement, reliability, and providing input's need that is always anytime available. Besides, the supplier can upgrade information source about market development, new technology, competitors movement (Terziovski, 2003).

The studies on entrepreneurship, which had been conducted, show that entrepreneur and new company should work hand in hand to create a network in order to be success (Huggins, 2000). Network depicts any equipment used by businessman to reduce risks and cost transaction, as well as fix the access to business idea, knowledge and capital (Purnomo, 2011).

Research of Lukiastuti (2012) on the relationship of social network impacts on SMEs' performance shows that social network among SMEs owner has positive impacts on SMEs' marketing performance. Therefore, the hypothesis proposed in this study is:

H5:   Network capability has positive impacts on Performance

METHOD

The population in this study is all SMEs which got government facility in Central Java.

Purposive sampling is the method used in this study, that is, sampling method which is based on the criteria given by category of SMEs (Small Medium Entrepresis), under supervision of Cooperative and SMEs Department of Central Java. Filter question to take the sample in this study are: has been operated minimum 2 years, micro category, small and medium category, having product legality (trademark, Halal Certification, license of domestic food industry) that have been given during 2013-2014.

From initial research, total number of sample which meet the criteria is 67 SMEs. The measurement of respondence is by giving score based on their answers, using interval scale, namely Likert scale with range 1-7. The result will be tested using validity and reability test. Classical assumption test consists of non-multicollinearity, autocorrelation and normality test. The data was analyzed usingmultiple linear regression analysis.

RESULT AND DISCUSSION

Respondents Description

Total respondents of 67 Central Java SME owners is 41 people or 8.8% were women, while 26 people or 26% were male. This shows that the majority of SME owners who responded to this study were women. Of the total respondents 67 Central Java SME owners were 49 people or 73.1% are those aged over 40 years, while 15 or 22.4% were those aged between 31-40 years.While the rest (3 people or 4.5%) were those who were young or less than 31 years old. This shows that the majority of owners of SMEs who became respondents of this study are those who are aged over 40 years.

Of the total respondents of 67 SME owners in Central Java, as many as 35 people or 52.2% were those who are high school educated, while 21 people or 31.3% were those who are having bachelor degree. While the rest (11 people or 16.4%) are those who have junior high school education. This shows that the majority of SME owners who became respondents of this study were those who have high school education.

Of the total respondents of 67 SMEs' owners in Central Java, as many as 35 people or 52.2% were those who already have a business within the period 10-15 years. There were 18 respondents having a business for 5-10 years old. Whereas 14 respondents have a business that more than 15 years. Thus, the majority of survey respondents (79.1%) have a business for 5-15 years old.

Variable Description

The average respondents' answers for each question item of Competitiveness variable was 5. The lowest answer of the question item for this variable was 3 ("disagree somewhat") and the highest answer was 7 ("strongly agree"). There is no respondents stated "strongly disagree" for this variable. Thus, Competitiveness condition of SMEs in Central Java according to respondents' perpective is positive (good). Hence, according to view of SMEs' owners in Central Java, especially who became respondents in this study, said Competitiveness SMEs in Central Java has been good, even somehow said very good. There is no SMEs' owner who claimed the Competitiveness is not good or unsatisfied.

The average respondents' answers for each question item of Marketing Access variable was 5. The lowest answer of the question item for this variable was 2 ("disagree") and the highest answer is 7 ("strongly agree"). No one said "strongly disagree" for this variable. Thus, Competitiveness condition of SMEs in Central Java according to respondents' perpective is positive (good). Hence, according to view of SMEs' owners in Central Java, especially who became respondents in this study, said Marketing Access of SMEs in Central Java has been good, even somehow said very good. There is no SMEs' owner who claimed the Marketing Access of SMEs in Central Java is not good or unsatisfied.

The average respondents' answers for each question item of Network capability variable was 5. The lowest answer of the question item for this variable was 3 ("disagree somewhat"), in the question item number 1, 3, 5, 7.

While for item number 2, 4, and 6, the lowest answer was 4 ("neutral"). The highest answer of question item for network capability variable was 7 ("strongly agree"). No one said "strongly disagree" for this variable.

Thus, network capability condition of SMEs in Central Java according to respondents' perpective is positive (good). Hence, according to view of SMEs' owners in Central Java, especially who became respondents in this study, said Network capability of SMEs in Central Java has been good, even somehow said very good. There is no SMEs' owner who claimed the Network capability of SMEs in Central Java is not good or unsatisfied.

The average respondents' answers for each question item of Performance variable was 6. The lowest answer of the question item for this variable was 3 ("disagree somewhat"), in the question item number 1, 3, and 4. While for question item number 2, the lowest answer was 4 ("neutral"). The highest answer of question item for network capability variable was 7 ("strongly agree"). No one said "strongly disagree" for this variable. Thus, performance condition of SMEs in Central Java according to respondents' perpective is very good. Hence, according to view of SMEs' owners in Central Java, especially who became respondents in this study, said Performance of SMEs in Central Java has been good, even somehow said very good. There is no SMEs' owner who claimed the Performance of SMEs in Central Java is not good.

Validity and Reliability Test

Based on the validity test, it shows that all value of KMO is > 0.5 that is for competitiveness, marketing access, network capability, and marketing performance. All value of KMO that is more than 0.5 means that the sample meet the minimal measure sampling adequacy (MSA). While, considering all indicators with loading factor value > 0.4 which means all question items of all instrument (questionnaire) is valid. The result of reliability test shows that all value of cronbach α > 0.7, means all the variable in this study is reliable.

Regression Analysis

This analysis is used to calculate how much the impacts of competitiveness, marketing access, network capability and marketing performance. The result of the regression is shown in Table 2. From the Table 2 shows that regression coefficient of competitiveness (average C) is 0.559. That regression coefficient value shows that the value has positive impacts on network capability. It means that the higher competitiveness, the higher network capability.

Table 2 also shows that the regression coefficient of marketing access (average MA) is 0.400. That regression coefficient value shows that the value has positive impacts on network capability. It means that the higher marketing access, the higher network capability. After testing the regression equation 1, the next step is to formulate the regression equation 2. As previously mentioned that regression analysis is one of analysis that often be used in predicting how much the impact of independent variable on dependent variable.

Table 2 shows that regression coefficient of competitiveness (average C) is 0.197. That shows that the value has positive impact on performance. It means that the higher competitiveness, the higher performance. Table 2 also shows that regression coefficient of marketing access (average MA) is 0.217. The value of regression coefficient shows the positive impacts on Performance. It means that the higher marketing access, performance will increase.

The Result of Hypothesis Test
The Impact of Competitiveness on Network capability

From Table 2, it is recognized that sig value for the relationship between competitiveness and network capability is 0.000 < alpha value of 0.05. Thus, the hyphothesis, which stated that competitiveness has positive and significant impact on network capability, can be accepted. From Table 2, it is recognized that sig value for the relationship between marketing access and network capability is 0.000 < alpha value of

Table 2 Result of Regression Test

Model	Adjusted R Squere	F test		ttets		Note
		F	sign	B	Sign	
Equation 1						
Competitiveness and marketing access on network capability	0.369	20.335	0.000			
Competitiveness on network capability				0.559	0.000	Hypothesis is accepted
marketing access on network capability				0.400	0.000	Hypothesis is accepted
Equation 2						
Competitiveness, marketing access and network capability on marketing performance	0.671	45.898	0.000			
Competitiveness on marketing performance				0.197	0.028	Hypothesis is accepted
marketing access on marketing performance				0.217	0.009	Hypothesis is accepted

0.05. Thus, the hyphothesis, which stated that marketing access has positive and significant impact on network capability, can be accepted.

The Impact of Competitiveness on Mmarketing Performance

From Table 2, it is recognized that sig value for the relationship between competitiveness and performance is 0.028< alpha value of 0.05. Thus, the hyphothesis, which stated that competitiveness has positive and significant impact on performance, can be accepted.

The Impact of Marketing Access on Marketing Performance

From Table 2, it is recognized that sig value for the relationship between marketing access and performance is 0.009 < alpha value of 0.05. Thus, the hyphothesis, which stated that marketing access has positive and significant impact on performance, can be accepted.

The Ompact of Network Capability on Marketing Performance

From Table 2, it is recognized that sig value for the relationship between network capability and performance is 0.00 < alpha value of 0.05. Thus, the hyphothesis, which stated that network capabilityhas positive and significant impact on performance, can be accepted.

Network Capability Mediate The Impact of Competitiveness on Marketing Performance

Based on the calculation, it is noticed that the result of multiplication between β1 and β5 is greater than β3, it means that the mediating effect is exist. Thus, it can be concluded that network capability mediates the impact of competitiveness on marketing performance.

Network Capability Mediate The Impact of Marketing Access on Marketing Performance

Based on the calculation, it is noticed that the result of multiplication between β2 and β5is greater than β4, it means that the mediating effect is exist. Thus, it can be concluded that net-

work capability mediates the impact marketing access on marketing performance.

Based on the regression analysis calculation, it can be seen that the regression coefficient of competitiveness variable is 0.559 with significant level 0.000 smaller than 0.05. It means that the hypothesis can be accepted, which means competitiveness significantly has positive impact on network capability for SMEs in Central Java. The impact of competitiveness on network capability has positive value that means there is a positive relationshipbetweenindependent variable of competitiveness (X1) and dependent variable of network capability (Y1).

This competitiveness makes SMEs to havenetwork capability in improving its performance. By having competitiveness, SMEs will make network capability improving. Thus, if the competitiveness increases, network capability will also increases. On the contrary, if the competitiveness decreases, network capability in SMEs in Central Java will also decreases. The result is in line with the study of Asmarani (2009) and Hussain (2010) which stated that organizational competitiveness advantage is influenced by internal factor of organization.

According to regression analysis calculation, it can be noticed that the regression coefficient of marketing access variable is 0.400 with significant level 0.000 smaller than 0.05. It means that the hypothesis can be accepted, which means marketing access significantly has positive impact on network capability of SMEs in Central Java. The impact of marketing access on network capability has positive value that means there is a positive relationship between independent variable of marketing access (X2) and dependent variable of network capability (Y1).

This marketing access makes SMEs to havenetwork capability in improving its performance. By having marketing access, SMEs will make network capability improving. Thus, if the marketing access increases, network capabilityof SMEs in Central Javewill also increases. On the contrary, if the marketing access decreases,

network capability in SMEs in Central Java will also decreases. The result of this study supports the study of Ribbot and Peluso (2003) which stated that the access enables the owners to get benefits from it.

Based on the regression analysis calculation, it can be seen that the regression coefficienct of competitiveness variable is 0.217 with significant level 0.028 smaller than 0.05. It means that the hypothesis can be accepted, which means that competitiveness significantly has positive impact on performance of SMEs in Central Java. The impact of competitiveness on performance has positive value that means there is a positive relationship between independent variable of competitiveness (X1) and dependent variable of performance (Y2). This competitiveness makes SMEs to have high performance.

By having the competitiveness, SMEs will make performance improving. Thus, if the competitiveness increases, the performance will also increase. On the contrary, if the competitiveness decreases, performance in SMEs in Central Java will also decrease. The result of this study supports the study of Aji (2014) which stated that there is a positive impact between competitiveness and marketing performance thatismeasured through sales growth, customer growth and new market.

Based on the analysis calculation, it can be identified that regression coefficient of marketing acces variable is 0.217 with significant level 0.028 smaller than 0.05. It means that the hypothesis can be accepted, that is, the marketing access significantly has a positive impact on performance of SMEs in Central Java. The impact of marketing access on performance has positive value that means there is a positive relationship between independent variable of marketing access (X2) and dependent variable of performance (Y2). This marketing access makes SMEs to have high performance.

By having the marketing access, SMEs will have performance improving. Thus, if the marketing access increases, performance of SMEs in Central Java will also increase. On the contrary, if the marketing access decreases, performan-

ce in SMEs in Central Java will also decrease. This result supports Sudaryanto, Ragimun, andWijayanti (2013) which showedthat the strategy to anticipate market mechanism, which is more open and competitive, is market share as a requirement to improve competitiveness of SMEs. To have market share, SMEs needs to get informantion. The information access is an important factor that can rise the performance.

Based on the analysis calculation, it can be seen the regression coefficient of network capability variable is 0.217 with significant level 0.028 smaller than 0.05. It means that the hypothesis can be accepted, that is, network capability significantly has a positive value on the performance of SMEs in Central Java. The impact of network capability on performance has positive value that means there is a positive relationship between independent variable of network capability(Y1) and dependent variable of performance (Y2).

This network capability makes SMEs to have high performance. By having the network capability, SMEs will have performance improving.Thus, if the network capability increases, performance of SMEs in Central Java will also increase. On the contrary, if the network capabilitydecreases, performance in SMEs in Central Java will also decrease. This result supports the study of Lukiastuti (2013), stated that marketing access as a positive and significant on network capability. Therefore, the higher marketing access, the higher network capability.

CONCLUSION AND RECOMMENDATION

Some conclusions that can be drawn from this study are mentioned as follows: competitiveness has a positive and significant impact on network capability. marketing access has a positive and significant impact on network capability. competitiveness has a positive and significant impact on marketing performance. marketing access has a positive and significant impact on marketing performace. network capability has a positive and significant impact on marketing performance. network capability mediates the

impact between competitiveness and marketing performance. network capability mediates the impact between marketing access and marketing performance.

Some of the theoretical implications related to this study are: the result shows that there is an impact of competitiveness on network capability in SMEs in Central Java. It is in line with the research of Asmarani, (2009); Hussain, (2010) which claimed that organizational competitiveness advantage is influenced by internal factor of organization. The result shows that there is an impact of marketing access on network capability in SMEs in Central Java. Thus, it supports theory from Ribbot and Peluso (2003), stated that the access enables the owners to get benefit from it.

The result shows that there is an impact of competitiveness on marketing performance in SMEs in Central Java. Thus, this study supports the study of Li (2000) which demonstrated that there is a positive impact between competitiveness advantage and marketing access, measured through unit of sales, profit, market, and return of investment. The result shows that there is an impact of marketing access on marketing performance in SMEs in Central Java. Thus, this study supports theory of Sudaryanto et al. (2011) which stated that access of information is a factor that can improve SMEs marketing.

The result shows that there is an impact of network capability on marketing performance in SMEs in Central Java. Hence, this study supports the study of Lukiastuti (2012) which stated that social network among SMEs' owners has a positive impact on marketing performance. The result shows that network capability mediates the impact of competitiveness on marketing performance in SMEs in Central Java. It means that this study gives additional understanding about the relationship between competitiveness and marketing performance. That is, the impact of competitiveness on marketing performance is actually mediated by network capability.

Some suggestions based on the result of this study are: SMEs need to pay attention on keeping and improving the network capability. Moreover, SMEs also need to keeping and improving products' competitiveness in order to increase marketing performance.

Some of the limitation in this study are: This study was only done in SMEs in Central Java so the result cannot be generalized for the same study in other province or area. This study only took three variable as a factor, which affect the performance of employee. Those three variables are competitiveness, marketing access, and network capability. If literature review were done more, it would be possible that there will be other variable, which can give impacts on employee performance.

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