

# Uncertain Supply Chain Management

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## The role of international networking to mediate internet technology capabilities and international entrepreneurship orientation to export performance

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### ABSTRACT

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The purpose of this study is to explain the role of international networks in mediating the effect of internet technology capabilities and international entrepreneurship orientation on export performance. The population of this research is creative industry SMEs that have been exporting for at least the last 3 years in Bali. The size of the sample used was 170 managers of creative industry SMEs exporters with a purposive sampling method. The analytical technique used is Path Analysis using SEM-PLS. The results show that the internet technology capabilities have a positive and significant effect on export performance. International entrepreneurship orientation also has a positive and significant impact on export performance. Furthermore, the internet technology capabilities have a positive and significant impact on international networking; international entrepreneurship orientation also has a positive and significant impact on international networking; and international networking affects export performance. In addition, international networking is able to mediate the effect of internet technology capabilities and international entrepreneurship orientation on export performance. Therefore, it is important for SMEs of creative industry exporters in Bali to develop their internet technology capabilities and improve their international entrepreneurial orientation in order to be able to build wider international networks and have an impact on increasing export performance.

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## 1. Introduction

The COVID-19 pandemic over the past two years has had a negative impact on the company's performance achievements, including the export performance of SMEs in Bali Province. The data shows that the export performance of SMEs has decreased and in November 2020, which showed data of -18.12 percent, including the export performance of creative industry SMEs. This phenomenon, of course, needs to find a solution so that in the future the export performance of creative industry SMEs can increase. One solution is obtained by conducting research. Research that examines export performance has been carried out by several previous researchers (e.g., Bianchi et al., 2017; Liu et al., 2020; Wang, 2020; Mahmoud et al., 2020; Sukaatmadja et al., 2021; Faroque et al., 2021; Mitriani et al., 2023). Export performance can be influenced by many factors, but the results of an initial survey of ten creative industry SME exporters in Bali show that their export performance is influenced by internet technology capabilities. Internet technology capabilities is a company's ability to use internet technology to reach the market (Feng et al., 2020; Li et al., 2020). Internet technology is very important, especially for SMEs that play internationally because their business markets are abroad. Therefore, internet technology capabilities must be continuously improved so that relations with overseas customers and suppliers are getting better and wider. Research on the effect of internet technology capabilities on business performance has been studied (e.g., Yasa et al., 2020; Giantari et al., 2021; Yasa et al., 2021; Muna et al., 2022; Anggraini et al., 2022); and on export performance (Shehata & Montash, 2020;

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Cassia & Magno, 2021; Mathews et al., 2021). The results showed that there was a positive and significant relationship between internet capability and export performance. This means that the higher the internet technology capabilities, the higher the export performance, but there are other researchers who show different results, namely from Reuber and Fischer (2011) and Bianci et al. (2017), which shows that internet technology capabilities have no significant effect on export performance. The results of this research that have not been aligned indicate that there is a research gap on the effect of internet technology capabilities on export performance. In addition to internet technology capabilities, the role of the entrepreneurial orientation of SME business actors also greatly determines export performance. How a businessperson must have creative and proactive power, be innovative, and dare to take risks to export. Research on the effect of entrepreneurial orientation on business performance, including export performance, has been studied (Li et al., 2018; Andersson et al., 2018; Mostafis et al., 2021; Dung & Giang, 2021; Telagawathi et al., 2022), which shows the results that the higher entrepreneurial orientation also encourages an increase in export performance. The opposite result is shown by several researchers, such as: Khalid et al. (2020), whose research results state that international entrepreneurship orientation has no significant effect on export performance. The difference in the results of this study is also a research gap. Based on two research gaps and the existing business phenomenon, namely the decline in export performance, this study develops a research concept by adding a mediating variable in the form of international networking. The reason for including the international networking variable as a mediator is supported by several reasons, including: 1) if international networking can be built well, then creative industry SMEs in Bali will have a wider target market so that the potential market for creative industry SMEs abroad is getting bigger; 2) international networking can also be built if SMEs have high internet technology capabilities because with internet technology capabilities it is easier to expand the international networking of exporting SMEs. This is supported by the results of research from Wang (2020) and Mathews et al. (2021); 3) In addition to internet technology capabilities, international networking is also influenced by the entrepreneurial orientation of businesspeople themselves. If SME exporters have innovation, proactivity and dare to take decisions to expand their network to foreign markets, it will have an impact on increasing their export sales turnover. This is also supported by the results of research from Falahat et al. (2021). Based on the background of the existing problems, the purpose of this research is to examine and explain the role of international networking in mediating the effect of internet technology capabilities and international entrepreneurship orientation on the export performance of creative industry SMEs in Bali Province.

## 2. Literature review

### 2.1 Research Conceptual Framework

Internet technology capability is one of the determinants of the export performance of SMEs. Internet technology capabilities are very important corporate resources and are very relevant in the digital era because the company's relationship with its stakeholders can be well maintained through internet technology and has a positive effect on international networking (Yasa et al., 2016; Bianci et al., 2017) and on increasing export performance. In addition to internet technology capabilities, there is another important factor, namely the company must have an entrepreneurial orientation. The entrepreneurial orientation referred to here is the international entrepreneurship orientation related to the international market. These two factors, namely internet technology capabilities and international entrepreneurship orientation, are the resources used by companies to achieve competitive advantage which have an impact on increasing export performance. This is in accordance with the concept of the Resources Based View (RBV), which states that the intangible resources owned by the company greatly determine its competitive advantage and of course reflect the achievement of higher performance. These two resources can be used to build international networking and later have an impact on increasing the export performance of SMEs (Bianci et al., 2017; Mathews et al., 2021). The conceptual framework for this research can be seen in Fig. 1.

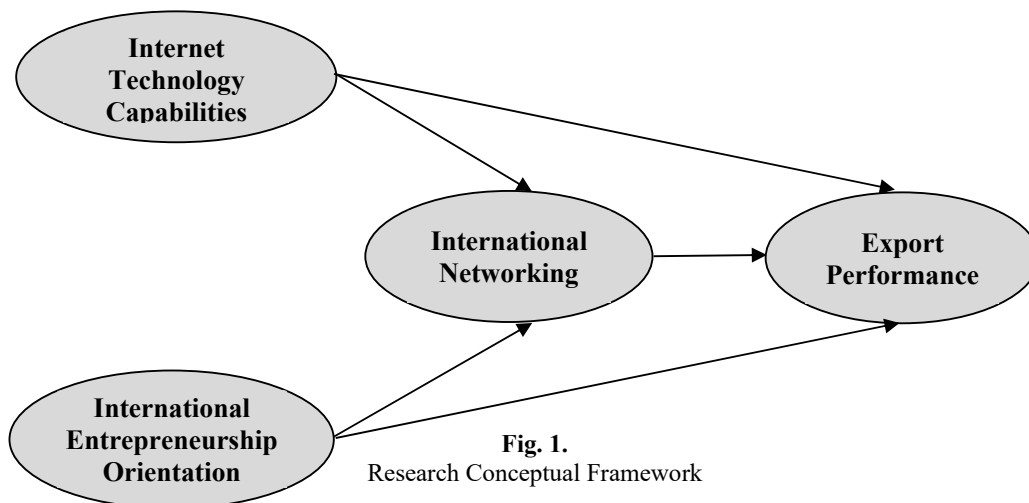


Fig. 1.

Research Conceptual Framework

Based on the existing conceptual framework, the research hypotheses that can be formulated are as follows.

### *The Effect of Internet Technology Capabilities on Export Performance*

Internet technology capabilities are technological capabilities possessed by an internet-based company such as the ability to use social media and use digital marketing (Ahn, 2017). Internet technology capabilities make it easier for companies to increase market reach so that it has an impact on increasing sales turnover (Bianchi et al., 2017). Furthermore, there are other studies that show that internet technology capabilities can significantly improve business performance (Liu et al., 2020). Similarly, several other researchers state that the higher the internet technology capabilities of a company, the better its business performance (e.g., Eduardsen, 2018; Wang & Tao, 2019; Eid et al., 2020; Mahmoud et al., 2020; Zhong et al., 2020; Mathews et al., 2021; Rauf et al., 2021; Cassia & Magno, 2022). Based on this empirical study, the following hypothesis can be built.

**H<sub>1</sub>:** *Internet technology capabilities have a positive and significant impact on export performance.*

### *The Effect of Internet Technology Capabilities on International Networking*

According to research by Kevin and Johnsen (2011), states that internet technology capabilities can build business networks. Internet technology capabilities provide opportunities for companies to use various internet-based marketing media such as: social media marketing, digital marketing, and internet marketing. All of this resulted in a better relationship between the company and its customers. Other studies also state that internet technology capabilities have a positive and significant impact on international business networks (Mathews et al., 2021a). Other researchers have shown that the higher the internet technology capabilities, the wider the international networking (Jeong et al., 2019; Glavas et al., 2019; Wang, 2020; Muna et al., 2022). Based on several existing empirical studies, the following hypotheses can be formulated.

**H<sub>2</sub>:** *Internet technology capabilities have a positive and significant impact on international networking.*

### *The Effect of International Entrepreneurship Orientation on Export Performance*

Entrepreneurial orientation is the mindset that a businessman has as his intellectual capital in running a business by always thinking creatively, innovating and daring to take risks from all activities carried out (Faroque et al., 2021a; Clark & Covin, 2021). According to the research of Mostafiz et al. (2021), entrepreneurial orientation is able to make businesspeople run their businesses more innovatively so that it has a positive impact on their performance achievements. The results of Bianchi et al. (2017) and Gull et al. (2021), stated that entrepreneurial orientation has a positive and significant effect on business performance. For SME exporters, the entrepreneurial orientation they have is international entrepreneurship orientation because they view foreign markets as the target market. Some research results show the results that international entrepreneurship orientation has a positive and significant effect on export performance (Jin & Cho, 2018; Baldegger et al., 2021; Dung & Giang, 2021; Faroque et al., 2021b, Nave & Ferreira, 2022). Based on existing empirical studies, the following hypotheses can be formulated.

**H<sub>3</sub>:** *International entrepreneurship orientation has a positive and significant impact on export performance.*

### *The Effect of International Entrepreneurship Orientation on International Networking*

International entrepreneurship orientation owned by a businessman can have an impact on the network he has. The higher the international entrepreneurship orientation, the more international business networks will be (Mostafiz et al., 2021). The results of this study are also supported by other researchers, such as Petraite and Dlugoborskyte (2017); Malecki (2018), Ripolles and Blesa (2022), which show the results that international entrepreneurship orientation has a positive and significant effect on export performance. Based on existing empirical studies, the following hypotheses can be formulated.

**H<sub>4</sub>:** *International entrepreneurship orientation has a positive and significant impact on international networking.*

### *The Effect of International Networking On Export Performance*

International networking is a business network owned by a company, both networking with customers, suppliers, and competitors in foreign countries. If a company has a wider international network, its export performance will be higher (Kenny & Fahy, 2011). Likewise, several subsequent researchers also support these results which state that international networking has a positive and significant effect on export performance (Jeong, 2016; Nuryakin & Ardyan, 2018; Ghauri & Elg, 2018; Celik et al., 2019; Torkkeli et al., 2019). Based on existing empirical studies, the following hypotheses can be formulated.

**H<sub>5</sub>:** *International networking has a positive and significant impact on export performance.*

### *The Role of International Networking Mediates the effect of Internet Technology Capabilities on Export Performance*

The effect of internet technology capabilities on export performance can be strengthened through international networking. Initially internet technology capabilities were used by companies to build international networking in the form of supply chain management (Bhandal et al., 2022); and then the wider international networking has a positive and significant impact on export performance (Morgan-Thomas & Bridgewater, 2004; Jeong, 2016).

**H<sub>6</sub>:** *International business networks are able to significantly mediate the effect of internet technology capabilities on export performance.*

*The role of international networking as a mediator on the effect of international entrepreneurship orientation on export performance*

The effect of international entrepreneurship orientation on export performance can be stronger if through international networking. If business people only develop a culture of International entrepreneurship orientation, it can indeed increase export performance (Dung & Giang, 2021; Faroque et al., 2021b). This effect is even stronger if the entrepreneurial orientation also helps companies build wider international networks (Mostafiz et al., 2021); and in the end international networking improves export performance (Ghauri & Elg, 2018).

**H<sub>7</sub>:** *International business networks can significantly mediate the effect of international entrepreneurship orientation on export performance.*

### 3. Research method

When viewed from the nature of the problem, this study uses a quantitative approach, namely to examine the effect of internet technology capabilities and international entrepreneurship orientation on international networking and export performance. This research will be conducted on the SME creative industry exporters in Bali.

The subjects in this study were managers or owners of creative industry SMEs in Bali who had already exported. The population of this study is all SMEs that export in Bali. This study uses 17 indicators so that the sample size is determined based on the formula, 17 indicators multiplied by 10 which means the sample size is 170 respondents.

The variable indicators of the variables of internet technology capabilities, entrepreneurial orientation, international networking, and export performance are measured by the perceptions of the owners or managers of SME creative industry exporters in Bali using a five-level Likert scale, namely from strongly disagree = 1, disagree = 2, quite agree = 3, agree = 4, and strongly agree = 5. This study uses primary data, namely data obtained from filling out questionnaires by respondents in this case are managers/owners of SME creative industry exporters in Bali; data collection techniques were carried out by distributing questionnaires to managers or owners of creative industry SMEs.

The instruments used were tested for validity and reliability in order to measure what they wanted to measure and to know the consistency of the responses given by the respondents. Testing the validity of the instrument using the Product Moment correlation technique from Pearson with a minimum limit of  $r = 0.3$  (Sugiyono, 2018: 150). Instrument reliability testing is done by calculating the reliability coefficient of Cronbach's Alpha with a minimum limit of Alpha coefficient  $> 0.6$  (Sekaran, 2003: 312). The results of the validity test show that all the indicator variables are valid because  $r \text{ count} > 0.3$  and the results of the reliability test also show the results of all variables are reliable, all variables are Cronbach Alfa  $> 0.6$ . Then, the hypothesis was tested using inferential analysis using Structural Equation Modeling (SEM) with Partial Least Square (PLS) approach, with SPSS 24.0 computer program.

### 4. Results and discussion

#### 4.1 Characteristics of respondents

An overview of the profiles of 170 respondents is presented in general with several characteristics including gender, age, education, position, number of workers, length of establishment of the company. The characteristics of the respondents in this study can be described as follows. There are more male respondents than female respondents, namely 95 male respondents and 75 female respondents. Age ranges from 20 years to 65 years, with the following distribution. 5 people aged 20-30 years, 25 people  $> 30-40$  years old, 45 people  $> 40-50$  years old, 80 people  $> 50-60$  years old, and 15 people  $> 60$  years old. The education level of the respondents is as follows: 44 high school students, 13 Diploma students, 86 undergraduate students, and 27 postgraduate students. The position of the respondent is more owner and manager as many as 94 people and as many as 74 people as only managers. The number of SME workers who became respondents were as follows: the number of workers of 5-10 people was 5, the number of workers of 11-20 people was 10 SMEs, with a workforce of 21-40 people as many as 80 SMEs, and a workforce of 41-100 people as many as 75 SMEs. Furthermore, for the length of establishment of the business, 15 SMEs have been established for 2 – 5 years,  $> 5 - 10$  years are 35 SMEs, and  $> 10$  years are 120 SMEs. The characteristics of the respondent's profile are presented in Fig. 2.

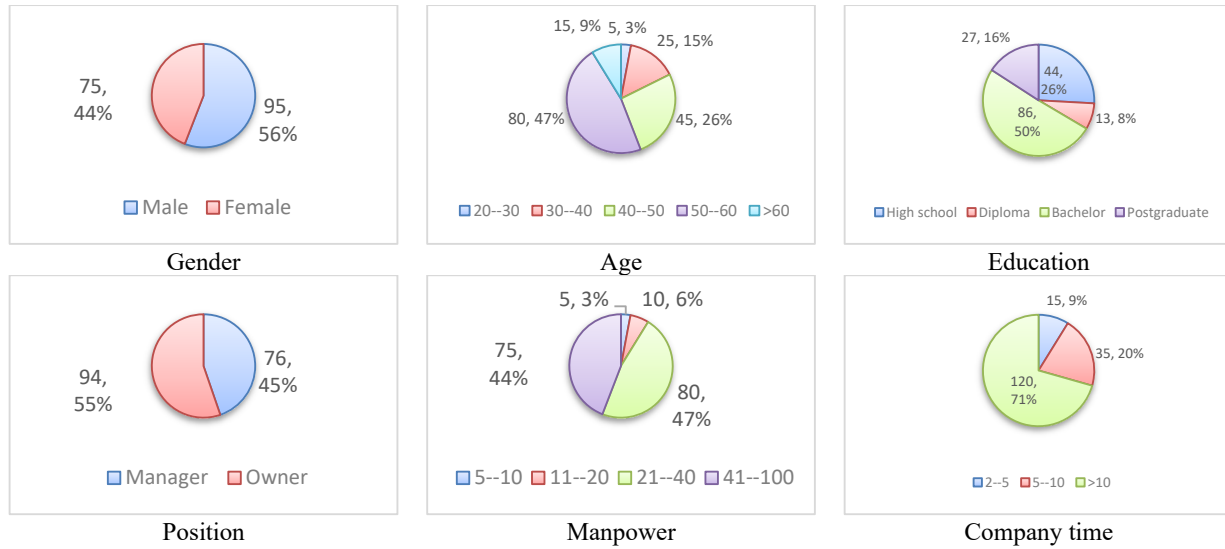


Fig. 2. Characteristics of Respondents

Source: Primary data processed, 2022

5. PLS SEM Analysis Results

This study uses a two-stage approach to measure the model before it is used for hypothesis testing, aiming to verify the validity and reliability of a research model. First by analyzing convergent validity, then by analyzing discriminant validity.

5.1 Outer Model Test

Convergent Validity

The outer model test is carried out to ensure that the research indicators are suitable for use as their role in measuring research variables, so to see if a model is valid to be the basis for research, there are three criteria that must be met, namely: (1) all loading indicators must be above 0.65 (2) Composite Reliability (CR) must be above 0.8, and (3) Average Variance Extracted (AVE) for each construct must exceed 0.5.

Table 1 Model Size Results

Construct	Indicator	Outer Loading	Composite Reliability	Average Variance Extracted (AVE)
Internet technology capabilities (X1)	X1.1	0.940	0.950	0.863
	X1.2	0.928		
	X1.3	0.919		
International entrepreneurship orientation (X2)	X2.1	0.930	0.975	0.888
	X2.2	0.930		
	X2.3	0.923		
	X2.4	0.959		
	X2.5	0.968		
International networking (Y1)	Y1.1	0.861	0.961	0.830
	Y1.2	0.938		
	Y1.3	0.919		
	Y1.4	0.932		
	Y1.5	0.902		
Export performance (Y2)	Y2.1	0.859	0.936	0.784
	Y2.2	0.893		
	Y2.3	0.893		
	Y2.4	0.896		

Source: Data processed, 2022

Based on Table 1, it shows that all outer loading indicators have values above 0.6 with a range between 0.859 to 0.968, meaning that they are at the recommendation limit, then the Composite Reliability (CR) value is in the range between 0.936 to 0.975, all of which are above 0.8, meaning that all constructs formed have good consistency as research models, the third

is the Average Variance Extracted (AVE) value, all of which are above 0.5, with a range from 0.784 to 0.888 so it can be concluded that the research model in this study has good validity.

*Discriminant Validity*

To evaluate discriminant validity, a research model is suggested to ensure that the root value of the Average Variance Extracted ( $\sqrt{AVE}$ ) of a latent variable must be larger.

**Table 2**  
Correlation Between Latent Variables

Construct	Internet technology capabilities	International entrepreneurship orientation	International networking	Export performance
Internet technology capabilities	1.000	0.823	0.826	0.823
International entrepreneurship orientation	0.823	1.000	0.753	0.815
International networking	0.826	0.753	1.000	0.834
Export performance	0.823	0.815	0.834	1.000

Source: Data processed, 2022

**Table 3**  
AVE root value

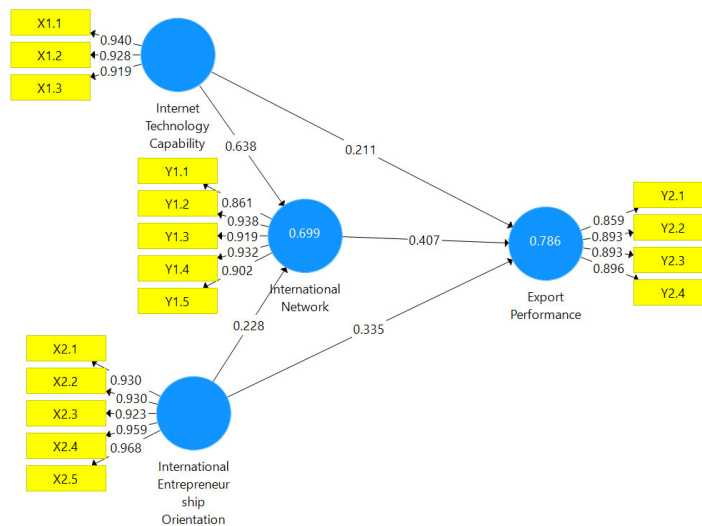
Construct	Average Variance Extracted (AVE)	AVE root
Internet technology capabilities	0.863	0.929
International entrepreneurship orientation	0.888	0.942
International networking	0.830	0.911
Export performance	0.784	0.885

Source: Data processed, 2022

Discriminant validity is considered good if the root value of AVE ( $\sqrt{AVE}$ ) in Table 4 is greater than 0.5. The research model proposed in this study can be considered good, where the smallest AVE value is 0.885.

*Inner Model Test*

Structural models focus on hypothesized relationships or paths between latent variables. The results of the inner model testing can be seen in Fig. 3.



**Fig. 3.** Structural Model

The structural model was evaluated using R-square for the dependent construct and t-test as well as the significance of the coefficients of the structural path parameters.

*Coefficient of Determination (R<sup>2</sup>)*

In this study, bootstrap will be carried out which will produce two measurements of the structural model, namely: the value of t (t-test) and R<sup>2</sup> which will be interpreted the same as multiple regression analysis in general. The predictive power of a

research model can be seen by looking at the  $R^2$  value generated by the bootstrapping process, in Table 4. the  $R^2$  value for each exogenous variable contained in the model will be presented.

**Table 4**  
Coefficient of Determination

Construct	$R^2$
International networking	0.699
Export performance	0.786

Note: only the endogenous (dependent) variable has a value of  $R^2$

Source: Data processed, 2022

Based on Table 4, it can be explained that the highest  $R^2$  value is found in the export performance variable of 0.786 which means that 78.6% of the export performance variable can be explained by the constructs contained in the model, namely internet technology capabilities, International entrepreneurship orientation, and international networking while the lowest value is in the international networking variable with 0.699, which means that 69.9% of the international networking variables can be explained by the constructs that effect these variables, namely internet technology capabilities and International entrepreneurship orientation. From the examination of the  $R^2$  value, it can be concluded that in general the predictive ability of this research model is good, seen from all variables that have an  $R^2$  value above 50%.

### Hypothesis testing

The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in testing the hypothesis is the value contained in the output path coefficients which is presented in Table 5.

**Table 5**  
Path Coefficient

Hypothesis	Correlation between Variables	Path Coefficient	t-statistic	p-values	Information
H <sub>1</sub>	Internet technology capabilities → export performance	0.211	2.957	0.003	accepted
H <sub>2</sub>	International entrepreneurship orientation → export performance	0.335	4.766	0.000	accepted
H <sub>3</sub>	Internet technology capabilities → international networking	0.638	7.507	0.000	accepted
H <sub>4</sub>	International entrepreneurship orientation → international networking	0.228	2.581	0.010	accepted
H <sub>5</sub>	International networking → export performance	0.407	5.486	0.000	accepted
H <sub>6</sub>	Internet technology capabilities → international networking → export performance	0.259	4.779	0.000	accepted
H <sub>7</sub>	International entrepreneurship orientation → international networking → export performance	0.093	2.101	0.036	accepted

Source: Data processed, 2022

Hypothesis testing is done by using t-statistics and looking at the p-value. If the p-value 0.05 then the hypothesis is accepted. Based on Table 5, it can be explained that internet technology capabilities for export performance have a t-statistic value of 2.957 with a p-value of 0.003 0.05, so H<sub>1</sub> is accepted. This means that the higher the internet technology capabilities, the higher the export performance. International entrepreneurship orientation towards export performance has a t-statistic value of 4.766 with a p-value of 0.000 0.05 then H<sub>2</sub> is accepted. This means that the higher the international entrepreneurship orientation, the higher the export performance. Internet technology capabilities for international networking have a t-statistic value of 7.507 with a p-value of 0.000 0.05, so H<sub>3</sub> is accepted. This means that the higher the internet technology capabilities, the higher the international networking. International entrepreneurship orientation has an effect on international networking with a t-statistic value of 2.581 with a p-value of 0.010 0.05 then H<sub>4</sub> is accepted. International networking on export performance has a t-statistic value of 5.486 with a p-value of 0.000 0.05, so H<sub>5</sub> is accepted. This means that the higher the international networking, the higher the export performance. Furthermore, for the indirect effect obtained the following results. The effect of internet technology capabilities on export performance through international networking obtained a t-statistic value of 4.779 with a p-value of 0,000 ≤ 0.05. This means that international networking is able to partially mediate the effect of internet technology capabilities on export performance. Likewise, the effect of international entrepreneurship orientation on export performance through international networking results in a t-statistic of 2.101 with a p-value of 0.036 ≤ 0.05. This means that international networking is able to partially mediate the effect of entrepreneurial orientation on export performance.

## 6. Discussion

Based on the results of the analysis of the effect of internet technology capabilities on export performance, the beta coefficient value is 0.211 with a significance level of  $0.003 \leq 0.05$  which means H<sub>0</sub> is rejected and H<sub>1</sub> is accepted. These results mean that the internet technology capabilities variable has a positive and significant impact on the export performance of creative industry SMEs in Bali. This means that, the better internet technology capabilities owned by creative industry SMEs, as indicated by the technology investment variable indicator which results in greater international sales, information technology capabilities, technology infrastructure, it is able to improve export performance. The results of this study at the same time

strengthen the results of previous studies conducted by Bianchi et al. (2017), which states that internet technology capabilities play an important role in improving export performance. Similar results have also been obtained previously by Jin and Cho (2018), which stated that internet technology capabilities were able to improve export performance. The results of this study are also strengthened by the results of research from Li et al. (2020); Liu et al. (2020); and Mathews et al. (2021), found that the internet technology capabilities variable had a positive and significant effect on the export performance variable.

Furthermore, the results of the analysis of the effect of international entrepreneurship orientation on export performance obtained a beta coefficient value of 0.335 with a significance level of  $0.000 \leq 0.05$  which means  $H_0$  is rejected and  $H_1$  is accepted. These results mean, the variable international entrepreneurship orientation has a positive and significant effect on export performance. So, the higher the international entrepreneurship orientation owned by creative industry business managers in Bali, which is shown by the company viewing the world as a market, pursuing new international business opportunities, communicating its mission of success in international markets, developing resources for goals in international markets, and attaching importance to encouragement to enter international markets, it can improve export performance. The results of this study at the same time strengthen the results of previous research conducted by Dung and Giang (2021), which stated that the variable international entrepreneurship orientation had a positive and significant effect on export performance. The results of this study are strengthened by the research of Jin and Cho (2018); Mostafiz et al. (2021); Nave and Ferreira (2022), found the results of the international entrepreneurship orientation variable having a positive and significant effect on export performance, so it can be concluded that a high international entrepreneurship orientation has a positive and significant effect on export performance.

The results of the analysis of the effect of internet technology capabilities on international networking obtained a beta coefficient value of 0.638 with a significance level of  $0.000 \leq 0.05$  which means  $H_0$  is rejected and  $H_1$  is accepted. These results mean that internet technology capabilities have a positive and significant effect on international networking. This means, the better internet technology capabilities indicated by technology investment which results in greater international sales, information technology capabilities, and higher technology infrastructure, it can improve its international networking. The results of this study also strengthen the results of previous research conducted by Ahn (2017), regarding the role of internet technology capabilities in increasing international networking. These results are also strengthened by the results of research by Bhandal et al. (2022), found that internet technology capabilities had a positive and significant effect on international networking. It can be concluded that, to build high international networking, high internet technology capabilities must be built.

The effect of international entrepreneurship orientation on international networking is obtained by the beta coefficient value of 0.228 with a significance level of  $0.010 \leq 0.05$  which means  $H_0$  is rejected and  $H_1$  is accepted. These results mean, International entrepreneurship orientation has a positive and significant impact on international networking. This means, the higher the entrepreneurial orientation shown by the company viewing the world as a market, pursuing new international business opportunities, communicating its mission to be successful in international markets, develop resources for goals in the international market, and emphasize the encouragement to enter the international market, so as to be able to increase its international networking. The results of this study are in line with the results of previous research conducted by Jin and Cho (2018), regarding international entrepreneurship orientation being able to improve international networking. Furthermore, Malecki (2018), researching the effect of entrepreneurial orientation on international networking also found the same results, namely the existence of a high international entrepreneurship orientation which has a positive and significant effect on international networking. In addition, there are still several researchers who show consistent results, namely Ripolles and Blesa (2022). It can be concluded that international entrepreneurship orientation has a positive and significant effect on international networking, this means, the higher the international entrepreneurship orientation owned by the creative industry SME managers in Bali, the more they are able to increase their international networking.

Likewise, the results of the analysis of the effect of international networking on export performance obtained a beta coefficient value of 0.407 with a significance level of  $0.000 \leq 0,05$  which means  $H_0$  is rejected and  $H_1$  is accepted. These results mean that the international networking variable has a positive and significant impact on the export performance of creative industry SMEs in Bali. This means that, the higher the international networking indicated by the use of the internet to retain international customers, the use of the internet to strengthen relationships with international customers, acquire new international customers, entering into new international market countries, using the internet to improve the company's international performance, it is able to improve export performance. The results of this study at the same time strengthen the results of previous research conducted by Torkkeli et al. (2019), which states that international networking plays an important role in improving export performance. Similar results have also been obtained by Wang (2020), who stated that high international networking can improve export performance. The results of this study are also strengthened by the results of research from Malecki (2018); Kenny and Fahy (2011); Jeong (2016); Freund et al. (2020); and Ahimbisibwe et al. (2020), who found that the international networking variable had a positive and significant effect on the export performance variable. For the mediation role, the results of the analysis of the effect of internet technology capabilities on export performance through international networking obtained a beta coefficient value of 0.259 with a significance level of  $0.000 \leq 0.05$  which means  $H_0$  is rejected and  $H_1$  is accepted. The results show that the international networking variable is able to significantly mediate the effect of internet technology capabilities on the export performance of creative industry SMEs in Bali. This means



that the effect of internet technology capabilities on export performance can be increased if internet technology capabilities are able to build international networking first and then international networking can improve export performance.

Likewise, the results of the analysis of the effect of International entrepreneurship orientation on export performance through international networking obtained a beta coefficient value of 0.093 with a significance level of  $0.036. \leq 0.05$  which means  $H_0$  is rejected and  $H_1$  is accepted. These results indicate that the international networking variable is able to significantly mediate the effect of international entrepreneurship orientation on the export performance of creative industry SMEs in Bali. This means that the international entrepreneurship orientation owned by creative industry SME managers is able to build international networking and further international networking that increases the export performance of creative industry SMEs in Bali.

## 7. Conclusion

Based on the results of the analysis, it can be concluded that the higher internet technology capabilities and international entrepreneurship orientation, the higher the export performance of creative industry SMEs in Bali. Likewise, internet technology capabilities and higher international entrepreneurship orientation are able to build wider international networking; and with the wider international network, the export performance will increase. Therefore, international networking is able to partially mediate the effect of internet technology capabilities and international entrepreneurship orientation on the export performance of creative industry SMEs in Bali. The results in this study generally give meaning, that Resources Based Theory (Barney, 2001), is a theory which states that a company's competitive advantage that can be shown by its performance achievements comes from the resources owned, namely intangible resources, but in reality, there is a company's competitive advantage or performance achievement can actually be built with tangible resources and intangible resources. International networking is a variable that mediates the effect of internet technology capabilities and international entrepreneurship orientation on export performance and the results of this study prove that the international networking variable is an important variable to consider in improving export performance. Acceptance of the hypothesis reveals several managerial implications, especially for SMEs in the creative industry of exporters seeking to improve their export performance. First of all, develop its internet technology capabilities from high to very high. Likewise, in order to continue to improve the international entrepreneurship orientation, it also continues to be improved by looking at the world as the company's target market which has an impact on increasing export performance.

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