

Competitive Strategies and Market Performance: The Mediating Role of Entrepreneurship Orientation in Covid-19 Period

Rekabet Stratejileri ve Pazar Performansı: Covid-19 Döneminde Girişimcilik Odaklılığının Aracılık Rolü

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Abstract: The Covid-19 epidemic is an economic and social crisis that has caused a crisis in many areas, especially in health. In our study, the role of entrepreneurship orientation in the relationship between the competitive strategies and market performance during the Covid-19 epidemic is examined. In the study conducted with the questionnaires collected from 137 companies which are listed in the ISO 500. The analyses were obtained with the SPSS 20.0 statistical program. As a result of the study, the relationship between the cost leadership and differentiation strategies of the companies and the market performance has been proven. The findings show that the partial effect of entrepreneurship orientation in the relationship between the differentiation strategy and market performance has been proven, but it has been revealed that there is no mediation effect in the relationship between cost leadership and market performance.

Keywords: Entrepreneurship Orientation, Competitive Strategies, Business Performance

Öz: Covid-19 pandemisi başta sağlık olmak üzere birçok alanda krize neden olan ekonomik ve sosyal bir krizdir. Çalışmamızda Covid-19 pandemisi sırasında rekabet stratejileri ile pazar performansı arasındaki ilişkide girişimcilik odaklılığın aracılık rolü incelenmektedir. ISO 500 listesinde yer alan 137 firmadan toplanan anketlerle yapılan çalışmanın analizleri SPSS 20.0 istatistik programı ile analiz edilmiştir. Çalışmanın sonuçlarına bakıldığında işletmelerin maliyet liderliği ve farklılaşma stratejileri ile pazar performansı arasındaki ilişki kanıtlanmıştır. Rekabet stratejileri ile pazar performansı arasındaki ilişkide girişimcilik odaklılığın aracılık rolü incelenmiş, farklılaşma stratejisi ile pazar performansı arasındaki ilişkide girişimcilik odaklılığın kısmi etkisi kanıtlanmış ancak maliyet liderliği ile pazar performansı arasındaki ilişkide girişimcilik odaklılığın herhangi bir etkisinin olmadığı ortaya konmuştur. Çalışma bulguları, işletmelerin yürüttüğü

rekabet stratejilerinin Covid-19 pandemi dönemindeki belirsizlik ortamında pazar performansını nasıl etkilediği ve bu ortamda girişimcilik odaklılığın rolü konusunda alana katkı sunmaktadır.

Anahtar kelimeler: *Girişimcilik Odaklılık, Rekabet Stratejileri, İşletme Performansı*

1. Introduction

The pandemic, which commenced in Wuhan, China in 2019 and named as Covid-19, induced a global crisis (Harel, 2021, 1). Even though this crisis was considered as a health crisis when it started, it can be considered that it has many effects both economically and socially. In March 2020, IMF declared that the result of the recession in the global economy might be greater than the effects of the financial crises faced in previous years (Georgieva, 2020). It stated that even though a recovery period is estimated in 2021, this crisis affected enterprises of different scales (Cortez and Johnston, 2020). The holding up and survival of enterprises, especially in this crisis period, depended on the degree of adaptation they performed to changing conditions and their strategic preferences. Therefore, the concept of competitive advantage, known to affect enterprise performance, has become prominent.

Competitive advantage ensures the opportunity for the enterprise to get ahead of its competitors (Zhou et al., 2008). This is why it is possible to maintain or increase performance by acquiring a competitive advantage. The fact that enterprises offer the same consumer demand at a lower cost in contrast with their competitors or focus on different requests of the consumer can increase the performance of the enterprises in a way that competitors cannot compete (Newbert, 2008). Therefore, enterprises should make internal and external environmental analysis very carefully and follow the developments in the market and competition very closely in an environment of uncertainty. They create enterprise strategies with the information that is obtained as a result of their analysis and strategic preferences. Strategic preferences and attitudes of enterprises play an important role in creating competitive advantage. The competitive strategies that enterprises will designate based on their superiority can be their most important weapon in creating competitive advantage. Enterprises can earn higher profits than their competitors with the cost leadership strategy, or they can gravitate to features valued by customers by bringing out different features compared to other products in the market and applying a differentiation strategy. These strategic preferences pitched by Porter (1980) are called competitive strategies. Considering the other studies, the effect of competitive strategies on the performance of the enterprise has been shown (Yamin et al., 1999; Hoffman, 2000).

This study offers a model with an entrepreneur-oriented approach for the improvement and maintenance of the market performance of the enterprise. The purpose of the research is to prove the mediating effect of entrepreneurship orientation in the effect of cost leadership and differentiation strategies, which are among the competitive strategies, on the market performance of the enterprise with the study to be carried out on enterprises operating in different sectors. The research presents practical results that can contribute to the strategic point of view in terms of better understanding of what competitive capabilities businesses need to improve to sustain their performance in a crisis environment and how enterprises with an entrepreneur-oriented approach have an effect on maintaining this performance. Regarding its practical contributions, it flashes on what kind of entrepreneurial strategic measures can be taken to ascertain a sustainable performance in a competitive market environment and contributes to managers. Theoretical information in which the concepts of entrepreneurship orientation and competitive strategies are defined are given in the first part of the study. And the research part consisting of the questionnaire study and the results of the study are given in the second part.

2. Literature Review

2.1. Entrepreneurship Orientation

The entrepreneurship concept has been defined differently by many authors. While Miles and Snow (1978) define it as starting and setting out a new business, it is defined by Naman and Slevin (1993) as improving the current area of activity and new market opportunities (Miles et al., 1978; Naman and Slevin, 1993). According to Miller (1983), enterprises defined as entrepreneurs are the ones that are innovative about the product-market, that emerge with ventures and that differentiate from their competitors in this way. Entrepreneurial enterprises are the ones that act proactive in making decisions by applying innovative strategies and that take risks (Morris and Paul, 1987).

The entrepreneurship orientation concept came up as a different concept from entrepreneurship that came up in 1978. The biggest difference between entrepreneurship orientation and entrepreneurship is that while the focus in entrepreneurship is setting out a new business, in entrepreneurial orientation, the focus is the method used to set out this new business. Entrepreneurship orientation is considered a process that includes decision-making and implementation (Ozsahin and Zehir, 2011). When we consider the definitions of entrepreneurship orientation, Freeman and Cameron defined entrepreneurship as among the skills that need to be improved to manage change (Freeman and Cameron, 1991). Merz and Sauber defined entrepreneurial

orientation as the degree of proactivity in the product–market area of the sector of the business (Merz and Sauber, 1995). On the other hand, according to Zahra and Neubaum (1998), entrepreneurial orientation is the radical innovation of a company, proactive strategic action, and risk–taking activities that arise in case of uncertainty (Zahra and Neubaum, 1998). Entrepreneurial orientation was defined by Pearce, Fritz, and Davis in the 2010s as a set of different but related behaviors that have the characteristics of innovation, proactivity, competitive aggressiveness, risk–taking, and autonomy (Pearce, Fritz, & Davis, 2010). Proactivity, innovation, competitive aggressiveness, risk–taking and autonomy taking place in this definition are also sub–dimensions of entrepreneurship orientation. Principally, entrepreneurship orientation is conceptualized in three dimensions which are proactivity, innovation and risk taking (Miller, 1983; Covin and Slevin, 1991). Lumpkin and Dess (1996) suggested and added that two dimensions, competitive aggressiveness, and autonomy, also emerged prominently in entrepreneurial orientation. Thereby, entrepreneurship orientation started to be assessed in five sub–dimensions at the institutional level.

The innovativeness dimension can be defined as the creative ability in the development of new products and services, through the provision of technological improvement. Dess and Lumpkin (2005) define innovation as “the eagerness for innovation and creative processes aimed at developing new products, services and processes”. Covin and Miller (2014) defined innovation as the existence of innovative processes such as the ability and power to innovate and new product promotions. Enterprises with an innovative point of view will achieve positive results through new services, technology, and products. In consequence, the biggest proof of assessing the presence of entrepreneurship is innovation. Considering the role of innovation, it has been seen that customers do not determine their demands only according to economic reasons, but according to economic development theory and in other studies, it is the innovation that directs the economic development process (Śledzik, 2013). Schumpeter argues that innovation is a main driving force of competitiveness and economic dynamics (Schumpeter, 1991). Therefore, we can say that innovation is one of the key aspects of entrepreneurship in creating a competitive advantage.

Another key dimension of entrepreneurial orientation is risk–taking. In the literature, risk–taking is defined as the degree of wishfulness to make big and risky commitments like investments in putting up unattempt technologies or new products to the market and to chase potential opportunities to earn high profits (Baird and Thomas, 1985; Lumpkin and Dess, 2001). It is defined as risk–taking in entrepreneurial approaches that

prefer to take a moderate risk (Cunningham and Lischeron, 1991). Taking risks can also be stated as taking the plunge through financing new ventures in an uncertain environment. And in a different definition, it is stated that risk-taking includes the risk taken in the allocation of several resources and product / service / market selection (Venkatraman, 1989). Entrepreneurial enterprises that take such risks may incur debts to utilize opportunities even in environments with high environmental uncertainty, and they may choose to create a competitive advantage by taking risks.

Proactiveness is a prospective perspective that acts by anticipating future expectations in order to be one step ahead of the competitors, which is characterized by the introduction of new products and services. Proactiveness is one of the key dimensions of entrepreneurship orientation, as it is a prospective perspective. Proactivity is defined as a company's effort to utilize new opportunities (Dess and Lumpkin, 2005). Proactivity has been defined in several ways by many authors. Miller defines proactivity as pioneering innovations (Miller, 1983). Whereas Blesa and Ripollés define it as an effort to shape the environment in which it takes initiative (Blesa and Ripollés, 2003). The proactive approach requires enterprises to foresee competitors' actions and market needs.

The degree of effort of enterprises to create competitive advantage can be defined as competitive aggressiveness. If an enterprise has competitive aggressiveness, it may adopt an aggressive attitude to become a leader in the competition and gain more profit from its competitors. Competitive aggression has been defined by many authors. The effort of an enterprise to better perform than its competitors in the sector in which it operates is defined as competitive aggressiveness (Dess and Lumpkin, 2005). However, it is defined by different authors as the efforts of the enterprise to be both a leader in performance and outperform its competitors. (Hughes and Morgan, 2007; Lumpkin and Dess, 2001; Falbe et al., 1999; Khalili & Fazel, 2013). Competitive aggressiveness sets forth the degree of the competitive tendency of the enterprise (Hughes and Morgan, 2007). Social responsibility and ethical values are the key factors that enterprises should take into consideration when adopting a competitive aggressive attitude.

Autonomy refers to the independent implementation of acts of enterprises in the realization of a new venture or an idea. Autonomy is defined as the process of executing the process from uncovering an idea or vision to its completion as an independent act of a person or team (Lee and Lim, 2009). Autonomy is not only a sub-dimension of entrepreneurship, but they are also interconnected concepts. Because control in

entrepreneurship is considered to be internal, those with internal control have self-confidence. This is why there is a will for independence and autonomy. If the person or business has the will for autonomy, it can be an entrepreneur (Callaghan, 2009).

2.2. Cost Leadership Strategy

The clearest competitive strategy of Porter is the cost leadership strategy. Cost leadership is defined as the ability of an enterprise to perform the production at the lowest cost in comparison to its competitors in the sector. Enterprises that implement the cost leadership strategy aim to reduce their production costs by taking advantage of economies of scale. They can achieve this by reducing production cost inputs and minimizing expensive costs like product development, innovation, distribution, and advertising (Lumpkin and Dess, 2006). Aside from economies of scale, the use of registered technologies, access to raw materials and other resources are other features that offer cost advantages to the enterprise. Reducing the product design cost, increasing the efficiency of the manufacturing plant, congenializing the automated assembly line and product development activities with the cost leadership strategy are the most important ways that can be applied to reduce cost. For enterprises in the service sector, it is possible to acquire cost advantages by effectively applying training procedures, reducing general expenses, controlling low-cost human resources and high input-output ratio (Porter, 1985). In the cost leadership strategy, enterprises aim to be the market leader with the products or services that have the lowest cost and to the entire industry they are in. Therefore, they create a competitive advantage at a low cost in their market.

2.3. Differentiation Strategy

The differentiation strategy aims to be unique in contrast to the other enterprises in the industry in fields they consider important to the customers. Enterprises implementing a differentiation strategy select one or more features that most buyers perceive as important in their industry and position themselves to meet this expectation. This positioning is accompanied by high pricing. With the products and services enterprises differentiate, they enable buyers to abide by the desired price and earn high profits.

In the differentiation strategy, enterprises aim to be unique by bringing the factors that will differentiate them from their competitors to the forefront, such as innovation, new technological adaptations, quality, and prestige, which they think are key for customers (Porter, 1996). In addition to the necessary aspects for the implementation of this strategy, enterprises that have skills such as creativity and strong organizational image

can successfully implement the differentiation strategy and, under the favor of their unique position, they can both ensure customer loyalty and increase their profitability by offering higher prices for their products and services (Miller and Friesen, 1986; Porter, 1996; Lumpkin and Dess, 2006). Differentiation strategy may differ from market to market depending on the features of the product, distribution channels, sales support services and implementation of marketing activities. For this reason, the market dynamics must be well defined for the strategy to be successful.

3. Hypothesis

Cost leadership and differentiation strategies aim to offer a competitive advantage in a wide industry segment. Therefore, it is considered to have an important effect on maintaining and increasing business performance. Considering the studies on cost leadership and differentiation strategies, publications supporting the fact that cost leadership and differentiation strategies increase performance have been found in many studies (Amoako-Gyampah and Acquah, 2008; Li and Li, 2008; Acar and Zehir, 2010; Yasar, 2010).

The entrepreneurial orientation of enterprises can enable them to dominate the market and earn higher profits in contrast to their competitors with a perspective of innovation, being proactive, and not hesitating to take risks. This can be one of the key aspects that will increase the performance in the market of the business. In the literature survey, it is pointed out that enterprises with a high entrepreneurship orientation can show superior performance (Wiklund and Shepherd, 2003; Hult, Snow and Kandemir, 2003; Lee and Lim., 2009)

An entrepreneur-oriented business expresses innovative, proactive decision-making and a courageous, risky, and aggressive approach, rather than a cautious and stability-oriented approach (Covin & Wales, 2012). Therefore, it can be considered that entrepreneur-oriented enterprises increase their performance by catching the opportunities in the market they are in before their competitors intrepidly. It showed the different effects of the dimensions of entrepreneurship orientation on competitive strategy, the effects of cost leadership and differentiation on performance in the literature survey. While the relationship between innovation and competitive strategies has been shown, risk-taking and competitive aggressiveness have not been shown to have a relationship with differentiation and cost leadership strategies. It has been observed that entrepreneurship orientation is effective in both cost leadership and

differentiation strategies in different studies (Lechner and Gudmundsson, 2014; Prima et al. 2022).

It has been shown that businesses that verge on to cost leadership strategy increase business performance with entrepreneur-oriented decision-making mechanisms in some studies. It was shown in another study that entrepreneurship orientation was associated with differentiation strategy and performance, but not with cost leadership strategy (Kaya, 2015; Dess, Lumpkin and Covin, 1997).

H1. There is a positive relationship between cost leadership and entrepreneurship orientation

H2. There is a positive relationship between differentiation and entrepreneurship orientation

H3. There is a positive relationship between cost leadership and market performance.

H4. There is a positive relationship between differentiation and market performance.

H5. There is a positive relationship between entrepreneurship orientation and market performance

H6. Entrepreneurship orientation has a mediating effect on the relationship between cost leadership and market performance

H7. Entrepreneurship orientation has a mediating effect on the relationship between differentiation and market performance

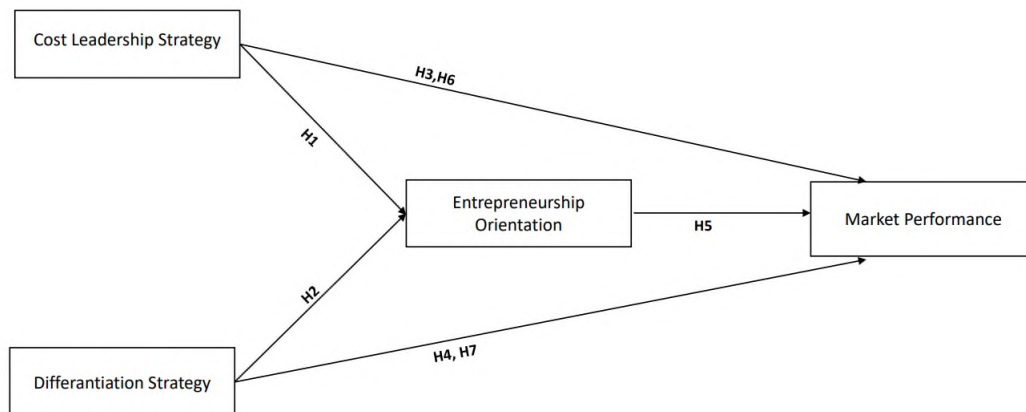


Figure 1. Research Model

4. Methodology

4.1. Objective of The Study

The objective of the study is to evaluate the mediating role of entrepreneurship orientation in the relationship cost leadership and differentiation strategies and market performance.

4.2. Sampling and Data Collection

The main framework of our study, Turkey's top 500 companies that is published in the ISO 500 list. 27 of 500 companies did not allow to disclosure of their commercial name and were excluded in the study. The framework of the study was determined as 473 companies which are known the company name. Information about the research and questionnaires were sent to companies via e-mail. A response rate of 28.96% was achieved by receiving feedback from 137 businesses. Looking at other studies where data was collected via e-mail, it is seen that the return rate of the questionnaires varies between 10% and 26% (Akıncı et al., 2004; Özdevecioğlu and Biçkes ,2012). The return rate of survey seems sufficient.

In this study, entrepreneurship orientation scale consisted of 21 items. 4 items for competitive aggressiveness, 5 items for proactivity, 5 items for innovativeness and 4 items for risk taking were used (Venkatraman, 1989; Covin and Slevin, 1988; Li, Liu and Zhao, 2006). 14 item scale were used as a differentiation (Kohli and Jaworski,1990; Lynch et al.,2000; Dess and Davis,1984; Porter 1980). 7 items scale were used to measure market performance (Baker and Sininkula, 1999; Antoncic and Hisrich, 2001; Vickery, 1993; Yamin et al. 1999; Morgan and Strong, 2003). All items are measured on a five point Likert-type scale ranging between 1=strongly disagree and 5=strongly agree. Data is evaluated by SPSS 20.0 statistical program. The relationships between the all variables are tested using factor analysis, reliability, correlation, and regression analyses.

4.3. Analysis and Results

97.8% of the sample were operated in private. 75.2% of companies operate internationally, 20.2% nationally and 3.6% regionally. 75.2% of the companies were founded before 1996. Detailed descriptive information about in which sector the companies mostly operate and number of employees are given in Table 1.

Table 1. Descriptive Analysis

		Frequency	Percent	Cumulative Percent
Field	Public	3	2.2	2.2
	Private	134	97.8	100.0
Company Limit	Regional	5	3.6	3.6
	National	29	21.2	24.8
	International	103	75.2	100.0
Sector	Food/Beverage/Tobacco	12	8.8	8.8
	Pharmaceutical/Medical Device	4	2.9	11.7
	Clothing/Textile/Leather	9	6.6	18.2
	Machine-Tech/Metalware	9	6.6	24.8
	Automotive	13	9.5	34.3
	Furniture	2	1.5	35.8
	Chemistry/Oil/Tyre	10	7.3	43.1
	Base Metal	10	7.3	50.4
	Office/Electric Machine Device	4	2.9	53.3
	Other Manufacturing	64	46.7	100.0
Employees Number	Lowest thru 1000	68	49.6	49.6
	1001 thru 2000	19	13.9	63.5
	2001 thru 3000	12	8.8	72.3
	3001 thru Highest	38	27.7	100.0
Foundation	Lowest thru 1945	13	9.5	9.5
	1945 thru 1964	22	16.1	25.5
	1965 thru 1984	33	24.1	49.6
	1895 thru 1996	35	25.5	75.2
	1996 thru Highest	32	24.8	100.0
Total		137	100.0	100.0

In the study, firstly, questions related with variables used in survey have been subjected to factor analysis and variables have been classified. Detailed information is given in Table 2.

Table 2. Factor Analysis

Factors	Factor Items	1	2	3	4	5	6	7
Entrepreneurship Orientation	GO_P2	,778						
	GO_P3	,630						
	GO_P4	,536						
	GO_RA7		,835					

	GO_RA8	,898	
	GO_RA9	,810	
	GO_Y10	,613	
	GO_Y11	,688	
	GO_Y12	,680	
	GO_Y13	,770	
	GO_Y14	,795	
	GO_RISK15	,550	
	GO_RISK16	,805	
	GO_RISK17	,531	
	GO_RISK18	,750	
Differentiation Strategy	FS15	,768	
	FS16	,857	
	FS17	,490	
	FS18	,787	
	FS20	,499	
	FS21	,617	
	FS22	,668	
	FS23	,444	
	FS24	,736	
	FS26	,659	
	FS27	,741	
	FS28	,699	
Cost Leadership Strategy	MLS1	,764	
	MLS2	,576	
	MLS3	,819	
	MLS4	,753	
	MLS5	,493	
	MLS6	,709	
	MLS7	,823	
	MLS8	,566	
	MLS10	,608	
	MLS11	,551	
	MLS12	,616	
	MLS14	,628	
	Market Performance	ISL_PP6	,746
		ISL_PP7	,673
ISL_PP8		,763	
ISL_PP9		,579	
ISL_PP10		,754	
ISL_PP11		,649	
ISL_PP12		,732	

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

Total Explained Variance: 64,94 % KMO (Kaiser–Meyer–Olkin) Test: 0.846

The point to be emphasized in factor analysis is how much the factor loadings of the variables explain the variance. It is generally sufficient for the explained variance to be above 0.50. The total explained variance in the study was 64.94 % indicating that the factors were valid. In general, a factor load of 0.30 explains a 9% variance in the literature. For this reason, loads between 0.30 and 0.59 are considered as moderate and above 0.60 as high (Tabachnick and Fidell, 2001; Büyüköztürk,2002). In this study, the factor load lower limit was determined as 0.40. It is seen that the factor loads of the questions belonging to the variables are all greater than 0.40. As a result of factor analysis, totally 3 items of entrepreneurship orientation (2 items of proactivity and 1 item of competitive aggressiveness), 2 items of differentiation strategy, 2 item of cost leadership strategy were eliminated due to low factor loads.

In the Table 3 Cronbach Alpha coefficient were evaluated for validity and reliability. In the literature review, a Cronbach's alpha coefficient of 0.70 in social sciences is considered sufficient for internal reliability (Baum & Wally, 2003). The Cronbach alpha coefficients of all the scales in the study were above 0.70, which indicates that the scales have internal reliability.

Table 3. Reliability Analysis

	Items	Cronbach Alfa
Entrepreneurship Orientation		
Proactivity	3	,842
Competitive Aggressiveness	3	,856
Innovativeness	5	,871
Risk Taking	4	,766
Cost Leadership	12	,897
Differentiation	12	,922
Market Performance	7	,894

Pearson correlation coefficients, standard deviation and mean values are shown in Table 4. There is a significant correlation between all variables ($p < 0.001$).

Table 4. The Correlation Coefficients

	Mean	Std. Deviation	1	2	3	4
Entrepreneurship Orientation	3,5101	0,5049	1			
Cost Leadership	4,0228	0,5226	,329**	1		
Differentiation Strategy	4,0396	0,5406	,636**	,373**	1	
Market Performance	3,7308	0,5977	,567**	,245**	,577**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Relationship between dependent and independent variables were examined with using regression tests.

Detailed information is given in Table 5.

Table 5. Regression Analysis

Model	Independent Variables	Dependent Variables	Standardized β	Sig.	Adjusted R^2	F Value	Model Sig.
1	Cost Leadership Strategy	Entrepreneurship Orientation	,329***	,000	,102	16,379	,000 ^b
2	Differentiation Strategy	Entrepreneurship Orientation	,636***	,000	,400	91,809	,000 ^b
3	Cost Leadership Strategy	Market Performance	,245***	,004	,053	8,624	,004 ^b
4	Differentiation Strategy	Market Performance	,571***	,000	,322	65,444	,000 ^b
5	Entrepreneurship Orientation	Market Performance	,567***	,000	,317	64,103	,000 ^b

Significance: * $p < 0.10$ ** $p < 0.05$ *** $p < 0.01$

Cost Leadership strategy was considered as independent variables, and the effect of the cost leadership strategy on entrepreneurship orientation, which was selected as the dependent variable, was examined. Model 1 shows that, there is a significant relationship between the cost leadership strategy and entrepreneurship orientation $\beta = 0,329$ ($p < 0.01$). The model showed that the independent variable explains 10.2 % of the change on the dependent variable ($R^2 = 0.102$) and **H1** hypothesis is supported.

Differentiation strategy was considered as independent variables, and the effect of the differentiation strategy on entrepreneurship orientation, which was selected as the

dependent variable, was examined. Model 2 shows that, there is a significant relationship between the differentiation strategy and entrepreneurship orientation $\beta=0,636$ ($p < 0.01$). The model showed that the independent variable explains 40 % of the change on the dependent variable ($R^2 = 0.400$) and **H2** hypothesis is supported.

Cost leadership strategy was considered as independent variables, and the effect of the cost leadership strategy on market performance, which was selected as the dependent variable, was examined. Model 3 shows that, there is a significant relationship between the cost leadership strategy and market performance $\beta=0,245$ ($p < 0.01$). The model showed that the independent variable explains 5.3 % of the change on the dependent variable ($R^2 = 0.053$) and **H3** hypothesis is supported.

Differentiation strategy was considered as independent variables, and the effect of the differentiation strategy on market performance, which was selected as the dependent variable, was examined. Model 4 shows that, there is a significant relationship between the differentiation strategy and market performance $\beta=0,571$ ($p < 0.01$). The model showed that the independent variable explains 32.2 % of the change on the dependent variable ($R^2 = 0.322$) and **H4** hypothesis is supported.

Entrepreneurship orientation was considered as independent variables, and the effect of the entrepreneurship orientation on market performance, which was selected as the dependent variable, was examined. Model 5 shows that, there is a significant relationship between the entrepreneurship orientation and market orientation $\beta=0,567$ ($p < 0.01$). The model showed that the independent variable explains 31.6 % of the change on the dependent variable ($R^2 = 0.316$) and **H5** hypothesis is supported.

Baron and Kenny (1986) method was used to test the mediation relationships in the model. According to Baron and Kenny, firstly, the independent variable should have positive effect on the mediating variable. Secondly, the independent variable should have positive effect on the dependent variable. Lastly the mediating variable should have positive effect on the dependent variable and simultaneously, the mediating variable is included in the regression analysis together with the independent variable, the regression coefficient of the independent variable on the dependent variable should decrease, while the mediating variable should continue to have a significant effect on the dependent variable and (Baron and Kenny; 1986).

The mediating role relationship between dependent and independent variables were examined with using multi regression tests.

Detailed information is given in Table 6.

Table 6. The Mediating Role Regression Analysis

Model	Independent Variables	Dependent Variables	Standardized β	Sig.	Adjusted R ²	F Value	Model Sig.
6	Cost Leadership Strategy	Market Performance	0,546***	,000	,316	32,374	,000 ^b
	Entrepreneurship Orientation		,065	,385			
7	Differentiation Strategy	Market Performance	0,343***	,000	,387	43,987	,000 ^b
	Entrepreneurship Orientation		0,353***	,000			

Significance: * $p < 0.10$ ** $p < 0.05$ *** $p < 0.01$

The mediating role of entrepreneurship orientation on the effect of cost leadership strategy on market performance has been tested in Model 6. It was observed that the effect of cost leadership strategy on market performance beta value did not decrease. **H6** hypothesis is rejected.

The mediating role of entrepreneurship orientation on the effect of differentiation strategy on market performance has been tested in Model 7. It was observed that the effect of differentiation strategy on market performance beta value decreased from ($\beta=0.571$) to ($\beta=0.343$) $p < 0,001$ significance level. **H7** hypothesis is partially supported.

5. Conclusion

In conclusion, the study has suggested that which factors effect market performance especially in Covid-19 pandemic. Especially considering the Covid-19 Pandemic, is using only competitive strategies to create competitive advantage effective in increasing market performance? In addition to implementing strategies such as cost leadership and differentiation, how important is the entrepreneurial perspective of the business? Can entrepreneurship-oriented approaches such as making quick decisions, anticipating opportunities, responding to the needs of the market with innovative products, increase the impact of competitive strategies, which are considered necessary for increasing the performance of the business and providing competitive advantage in the market in which it operates?

In this study, the effects of cost leadership and differentiation, one of Porter's competitive strategies, on the market performance of the enterprise were examined, and the mediating role of entrepreneurship orientation in this relationship was investigated in the Covid-19 Pandemic period.

In the research model, first of all, the effect of cost leadership and differentiation strategies, which are the competitive strategies, on entrepreneurship orientation was investigated. As a result of the study, it has been proven that cost leadership and differentiation strategies have a positive and significant effect on entrepreneurship orientation. In different studies, the relationship of competitive strategies with entrepreneurship orientation and its sub-dimensions has been shown (Lechner and Gudmundsson, 2014; Prima et al. 2022).

In the study, the effect of entrepreneurship orientation on market performance was examined and it was found that it had a positive effect. Looking at other studies, it is seen that it is consistent with the results found in the research. (Wiklund and Shepherd, 2005; Zahra and Covin 1995, Rosenbusch, Rauch and Bausch, 2013; Miller and Breton-Miller, 2011; Keh,, Nguyen and Ng, 2007; Poon, Ainuddin, and Junit, 2006; Jogaratnam and Tse, 2006; Wiklund & Shepherd, 2003).

The effect of cost leadership and differentiation strategies on market performance has been investigated and proven to have a significant positive effect. When previous studies were examined, the relationship between competitive strategies and performance was supported (Santos-Vijande et al., 2021; Acquah and Yasai-Ardekani, 2008; Li and Li, 2008).

The mediating role of entrepreneurial orientation in the effect of cost leadership strategy and differentiation strategy on market performance has been examined. According to the results, although entrepreneurial orientation has a partial mediating effect on the effect of differentiation strategy on market performance, entrepreneurship orientation does not have a mediating effect on the effect of cost leadership on market performance. In a different study, the relationship between entrepreneurship orientation and differentiation strategy and innovation performance was examined and it was seen that the differentiation strategy is closely related to the innovation capabilities of enterprises, that is, to process and product innovations (Karaboğa, 2015).

According to Porter, business need to choose one of competitive strategies to create a competitive advantage, There are different studies supporting this view, it has been determined that if businesses try to use their competitive strategies simultaneously, they will not be successful and they will be called “stuck businesses” (Acquaah and Yasai-Ardekani, 2008; Nandakuma et al., 2011; Manteghi and Zohrabi, 2011; Porter, 1980; Morschett et al., 2006).

Conclusion, if businesses want to survive the Covid -19 pandemic, they need to develop dynamic capabilities and adapt quickly to the new environmental conditions (Mansour et al., 2019). The Covid-19 pandemic has been a serious crisis management test for businesses. Managing this global crisis is closely related to how well strategic choices are applied. The power of businesses to analyze their existing resources and environmental factors enables them to gain competitive advantage in this competitive environment. Especially during the Covid-19 pandemic period, it is one of the most important factors for businesses to evaluate the market with a different perspective in competition and fast, brave and proactive steps in maintaining or increasing their performance.

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