The Influence of Market Orientation and Entrepreneurial Orientation on Marketing Performance Mediated By Specific Marketing Capabilities at PT. Dano Jaya Plast Indonesia.

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ABSTRACT

The importance of improving marketing performance in the automotive industry is needed in order to compete, along with technological developments, changing consumer trends, and environmental challenges. In line with technological developments and changes in consumer behavior, automotive companies need to continuously monitor and measure the effectiveness of marketing strategies. This research was conducted at PT. Dano Jaya Plast Indonesia which is located at Jl. Science Timur 3 Blok B5B5, Jayamukti. Central Cikarang. Bekasi. West Java. The sample used in this study was 86 people with cluster sampling method. Data analysis was carried out using the Partial Least Square (PLS) method using Smart PLS software version 3.0. The result of this study is that market orientation and entrepreneurial orientation have a positive and significant effect on marketing performance and specific marketing capabilities can mediate market orientation and entrepreneurial orientation to marketing performance.

Keywords: Market Orientation, Entrepreneurial Orientation, Marketing Performance, Specific Marketing Capabilities.

INTRODUCTION

Developments in the global economy, especially in Indonesia, have experienced rapid growth in recent years, particularly after the pandemic. Companies and organizations must now consider many competitors to increase their contribution to the growing global economy. This post-pandemic has affected various aspects of human life in recent times. All kinds of industries, including manufacturing, trade, and services, have a great impact on the country's economy, especially Indonesia. PT Dano Jaya Plast Indonesia is one of the companies engaged in the automotive sector, namely the production of injection molding and Mold Maker located at Jl. Science Timur 3 Blok B5B5, Jayamukti. Central Cikarang. Bekasi. West Java.

Marketing performance as a measure of a company's business success includes sales turnover, number of customers, sales, and profitability growth, as revealed in research (Farida, 2018) Meanwhile, another opinion states that marketing performance is the key to business success as a result of marketing strategies for customers, markets, and financial organizations, as well as market performance such as sales growth, market share, and market development in research about marketing performance (Brilliani, 2020). Another study shows that good marketing performance is reflected in three main focuses, namely sales value, sales growth, and market share which are ultimately able to increase the Company's profits (Nora, 2019).
Market orientation and entrepreneurial orientation are important marketing performance factors in supporting the operations of a business activity (Anjaningrum & Sidi, 2018). Similarly, entrepreneurial orientation is no less important which is considered capable of improving the performance of the marketing sector (Jatmiko, 2019). That is, it is concluded that the higher the ability of entrepreneurs to market their production, the better their entrepreneurial orientation.

This statement is in line with research from (Arbawa & Wardoyo, 2018). The correlation between market orientation and entrepreneurial orientation towards marketing performance has been widely proven by several studies conducted by (Nurjanah & Isa, 2021) which state that market orientation and entrepreneurial orientation have a positive and significant influence on marketing performance. However, research conducted by (Sari et al., 2022) states that there is no influence of market orientation and entrepreneurial orientation on marketing performance.

Specific Marketing Abilities are a very important aspect of marketing competence. Business people must be able to make marketing strategy decisions, create superior performance, establish superior company quality, and raise competitive standards. This action aims to improve the ability to develop professional marketing skills. According to research conducted by (Hendar et al., 2020) and (Nurhasanah & Murwatiningis, 2018), it is known that special marketing capabilities can contribute to improving marketing performance.

Companies need to do marketing, and to be able to compete they need to understand market needs. Market Orientation is an activity and activity that is continuously related to customer satisfaction in order to meet customer needs. Research by (Manambing et al., 2018) concluded that Market Orientation has an influence on marketing performance.

In addition to Market Orientation, Entrepreneurial Orientation is a concept that plays an important role in the modern business world. This is not just a business approach or strategy (Wijaya & Dharmayanti, 2019), but also a view and culture that underlies company behavior and decisions.

1. **Marketing Performance.**

Marketing Performance is a concept to determine the company’s achievements in selling products in the market. Well-known products in the market reflect Marketing Performance achieved with a good achievement predicate, so that every company has the obligation to review and evaluate the market success of its products (Nurudin et al., 2021).

According to manisha mathur (2013) in (Firdaus, 2020) marketing performance is the company’s performance in terms of sales growth, market share, creating new products or product innovations and increasing sales activities.

According to Kotler (2000) in (Azizah & Maftukah, 2017) marketing performance can be achieved if the company is able to improve products and expand market share, as well as maintain product quality to improve quality and long-term profitability.

a. **Indicator Marketing Performance**

This study uses three indicators to measure marketing performance related to research (Ratnawati & Lestari, 2018), including: Sales volume; Customer growth; Profitability.

2. **Market Orientation.**

Ranatiwi & Mulyana, (2018) define Market Orientation as a response to market changes. (Sari et al., 2022) explained that market orientation is a process and activity related to the creation and satisfaction of
customers continuously to evaluate customer needs and wants. The application of market orientation brings improved performance to the company.

Aprizal, (2018) in his book says that market orientation focuses on understanding current and future customer wants and needs. Market orientation can be defined more broadly as the expansion of traditional knowledge by combining distribution and environmental orientations.

a. **Indicator Market Orientation**

According to (Sulaeman, 2018) indicators of Market Orientation include the following: Customer Orientation; competitor orientation; Coordination between Functions. According to (Wirga, 2015) market orientation indicators are as follows: Relationship oriented; Fragmented oriented; Consumer oriented.

3. **Entrepreneurial Orientation.**

According to (Ilham, 2018), developing the desire to run his business by having an independent mindset (self-reliance), openness (introversion) to his environment so that his business can develop, the desire to be achieved (need for achievement), and internal locus of control (individual beliefs about the influence of events in his life due to his own behavior).

According to (Nizam et al., 2020), the ability to think creatively and innovatively is known as Entrepreneurial Orientation, and is used to find prospects for success.

b. **Indicator Entrepreneurial Orientation**

According to (Ie & Pratama, 2019) formulate several behaviors that describe Entrepreneurship-oriented behavior and are used as indicators of Entrepreneurial Orientation. Here are the indicators: Innovation; Proactive; Risk Taking.

4. **Special Marketing Capabilities.**

According to (Hendar et al., 2020), specific marketing skills enable companies to increase value in their products and services, adapt in the market, capture opportunities in the market, and respond to competitive threats by combining and applying company knowledge.

According to (Morgan et al., 2018), professional marketing skills are skills that a company has to understand and meet the needs of its customers in its market, giving it an edge over its competitors.

a. **Indicator Special Marketing Capabilities**

Indicators of specific marketing capabilities according to (Hendar et al., 2020) in measuring professional marketing skills used in this study include: Product management capabilities; Price management capabilities; Relationship management capabilities; Marketing communication capabilities.

**METHOD**

The type of research used in this study is causal type explanatory research that seeks to examine the influence between variables in a structural model to identify cause-and-effect relationships between predetermined variables. Using a causal type explanatory research approach, this study seeks to explain the extent to which certain variables can influence each other in a structural model. The population in this study is all employees related to marketing at PT. Dano Jaya Plast Indonesia numbering 100 people. The use of samples is usually caused by limited funds, time, or energy owned by a researcher. The sample used in this study was 86 people with cluster sampling.

**RESULT and DISCUSSION**

1. **Convergent validity**

Convergent validity, correlation between reflective indicator values and latent variable
values. Convergent validity is measured by the outer loading parameter. A reflective measure is given a high score if it correlates more than 0.70 with the construct it wants to measure. However, in the early stages of research, an outer loading value of 0.50 is considered sufficient (Wardani et al., 2022).

### Table 1 Outer Loading

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Outer Loading</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Orientation (X1)</td>
<td>OP1</td>
<td>0.890</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OP2</td>
<td>0.920</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OP3</td>
<td>0.917</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OP4</td>
<td>0.817</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OP5</td>
<td>0.783</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OP6</td>
<td>0.815</td>
<td>VALID</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X2)</td>
<td>OK1</td>
<td>0.898</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OK2</td>
<td>0.917</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OK3</td>
<td>0.903</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OK4</td>
<td>0.872</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OK5</td>
<td>0.828</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>OK6</td>
<td>0.822</td>
<td>VALID</td>
</tr>
<tr>
<td>Specialized Marketing Capabilities (Z)</td>
<td>KPK1</td>
<td>0.862</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KPK2</td>
<td>0.915</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KPK3</td>
<td>0.931</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KPK4</td>
<td>0.937</td>
<td>VALID</td>
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<tr>
<td></td>
<td>KPK5</td>
<td>0.850</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KPK6</td>
<td>0.849</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KPK7</td>
<td>0.822</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KPK8</td>
<td>0.815</td>
<td>VALID</td>
</tr>
<tr>
<td>Marketing Performance (Y)</td>
<td>KP1</td>
<td>0.880</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KP2</td>
<td>0.887</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KP3</td>
<td>0.905</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KP4</td>
<td>0.931</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KP5</td>
<td>0.841</td>
<td>VALID</td>
</tr>
<tr>
<td></td>
<td>KP6</td>
<td>0.849</td>
<td>VALID</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2024

The results of smartpls data processing in table 4.8 above show that most of the variable indicators of market orientation, entrepreneurial orientation, special marketing ability and marketing performance in this study have an outer loading value of more than 0.70 all valid indicators so as to meet convergent validity.

2. Discriminant validity

### Table 2 Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Orientation (X1)</td>
<td>0.782</td>
</tr>
</tbody>
</table>
Entrepreneurial Orientation (X2)  
Specialized Marketing Capabilities (Z)  
Marketing Performance (Y)  

Based on table 4.9 above, the AVE value in the research variables has reached a value above 0.5, which shows that the discriminant value contained in these variables has justifiable validity. Therefore, the research can proceed to the next stage.

3. Hypothesis

The results of hypothesis testing of this study are presented in the following table:

| Hypothesis path coefficients | Original sample | Sample Average | Standard deviation | T-statistics (|o/STDEV|) | P values | Description |
|-----------------------------|-----------------|----------------|--------------------|-----------------|----------|-------------|
| X > Y                       | 0.138           | 0.131          | 0.048              | 2.857           | 0.004    | Valid       |
| Z > Y                       | 0.861           | 0868           | 0.040              | 21.679          | 0.000    | Valid       |
| X > Z                       | 0.749           | 0.751          | 0.053              | 14.185          | 0.000    | Valid       |
| X > Z > Y                   | 0.645           | 0.653          | 0.051              | 12.620          | 0.000    | Valid       |

Market Orientation (X1) -> Marketing Performance (Y)

The effect of Market Orientation on Marketing Performance resulted in an original sample value of 0.282 with a Statistical T value of (2.889>1.96) and a P Value of 0.025 or less than the α value (0.025<0.05). Then it is declared significant or it can be declared that Ho1 is rejected and Ha1 is accepted.

Market Orientation (X1) -> Specialized Marketing Capabilities (Z)

The effect of Market Orientation on Specialized Marketing Capabilities resulted in an original sample value of 0.216 with a statistical T value of 2.552 (>1.96) and a P value of 0.025 or less than the α value (0.025<0.05). Then it is declared significant or it can be declared that Ho2 is rejected and Ha2 is accepted.

Entrepreneurial Orientation (X2) -> Specialized Marketing Capabilities (Z)

The effect of Entrepreneurial Orientation on Specialized Marketing Capabilities resulted in an original sample value of 0.716 with a statistical T value of 11.613 (>1.96) and a P Value of 0.000 or less than the α value (0.000<0.05). Then it is declared significant or it can be declared that Ho4 is rejected and Ha4 is accepted. Hipotesis Kelima

Specialized Marketing Capabilities (Z) -> Marketing Performance (Y)

The effect of Specialized Marketing Capabilities on Marketing Performance resulted in an original sample value of 0.506 with a statistical T value of 3.328 (>1.96) and a P Value of 0.001 or less than the α value (0.001<0.05).
Then it is declared significant or it can be declared that \( H_05 \) is rejected and \( H_a5 \) is accepted.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sample Average (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T-Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Orientation (X1) ( \rightarrow ) Specialized Marketing Capabilities (Z) ( \rightarrow ) Marketing Performance (Y)</td>
<td>0.309</td>
<td>0.157</td>
<td>3.926</td>
<td>0.005</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X2) ( \rightarrow ) Specialized Marketing Capabilities (Z) ( \rightarrow ) Marketing Performance (Y)</td>
<td>0.362</td>
<td>0.117</td>
<td>3.092</td>
<td>0.002</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2024

**Market Orientation (X1) \( \rightarrow \) Specialized Marketing Capabilities (Z) \( \rightarrow \) Marketing Performance (Y)**

Based on the results of the study, it was found that Market Orientation does not indirectly affect Marketing Performance through Specialized Marketing Capabilities, which is indicated by the original sample value of 0.309, statistical T value of 3.926, and P-Value of 0.005 or less than \( \alpha (0.005>0.05) \). Therefore, it can be known that \( H_0 \) was rejected and \( H_a \) was accepted.

**Entrepreneurial Orientation (X2) \( \rightarrow \) Specialized Marketing Capabilities (Z) \( \rightarrow \) Marketing Performance (Y)**

Based on the results of the study, it was found that Entrepreneurial Orientation has an indirect influence on Marketing Performance through Specialized Marketing Capabilities, which is indicated by the original sample value of 0.362, statistical T value of 3.092, and P-Value of 0.002 or less than \( \alpha (0.002>0.05) \). Therefore, it can be known that \( H_0 \) was rejected and \( H_a \) was accepted. So in conclusion, the Market Orientation variable (X1) does not have an indirect influence on the Marketing Performance variable (Y) through the Specialized Marketing Capabilities (Z) variable, while the Entrepreneurial Orientation variable has an indirect influence on Marketing Performance through Specialized Marketing Capabilities.

**CONCLUSION**

Based on problem formulation, literature review, and data analysis that has been interpreted in this study, about Improving marketing performance through market orientation and entrepreneurial orientation with specialized marketing capabilities as a mediation variable at PT. Dano Jaya Plast Indonesia, so this research can be concluded entirely positive and significant.
The impact in this study is the application of marketing orientation and entrepreneurial orientation will have an impact on increasing marketing performance in the company in terms of sales turnover and customer satisfaction. And mediation of special marketing capabilities is indispensable in improving marketing performance within the company. In research, all hypotheses all have a positive and significant influence.

The drawback in this research is that the company has not developed into medium and large-scale companies so that the sample of respondents is still limited.

The suggestion for this study is that further researchers can conduct wider research involving suppliers and customers.

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