

The Effect of Market Orientation

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The Effect of Market Orientation and Innovation on Marketing Performance (Survey of Creative Industry SMEs in Makassar City)

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Abstract:- This study aims to determine how the influence of market orientation and innovation on marketing performance. The number of samples used was 50 employees who were divided from 5 Creative Industry MSME Sectors in Makassar city. Data collection was carried out using interviews, observation and questionnaires. The data analysis technique used is multiple linear regression analysis using the Statistical Program for Social Science (SPSS).

The results of this study indicate that market orientation (X1) partially has a positive and significant influence on marketing performance. Product Innovation (X2) partially has a positive and significant impact on marketing performance. And simultaneously the two independent variables have a significant influence on marketing performance.

Keywords:- Market Orientation, Product Innovation, Marketing Performance.

I. INTRODUCTION

Marketing is part of company management and also a very important factor, because marketing will directly affect the smoothness and success of the company in achieving its goals. It is important for companies to know the right and appropriate marketing strategy for the products that will be sold in the market. With the right and appropriate marketing strategy, the product will be easily accepted by potential customers so that potential consumers buy the product that will be sold.

Nasution (2004) A market-oriented company (market oriented) is a company that makes customers the center of attention for companies to run their business (customer orientation), so that companies can continuously be customer-oriented, simultaneously the company must also be oriented towards competitors (competitors). orientation). Both orientations can be carried out well if the company carries out inter-functional coordination well.

The definition of a creative industry is an industry that has superior characteristics on the creativity side in producing various creative designs attached to the goods or services produced. (Howkins, 2001).

According to Jaworski and Kohli (1993) in Sosio Humanities (2012) Market orientation is an organizational perspective that encourages three main aspects namely: (1) efforts to collect market intelligence systematically with the main source of customers and competitors, (2) spread of

intelligence market to all units or departments within the organization and (3) Coordinated and comprehensive organizational response to market intelligence. Kohli and Jaworski (1990) as quoted by Adinoto (2013) state that, in order to be useful in practice, the marketing concept needs to be bridged by an operational understanding. The operational understanding which is the implementation of the marketing philosophy is the implementation of market orientation by company management. According to Naver and Slater (1990) a strong market orientation within the company will be able to provide offers and provide better satisfaction to buyers so that the company will get greater results for the offers given.

From these definitions it can be concluded that the researcher chose the definition according to Narver & Slater in Rosnawintang (2011) that orientation measures can be measured by customer orientation, competitor orientation and coordination between functions. Because the definition contains indicators that are in accordance with the object of research.

According to Despande, Farley and Webster (1993) customer orientation is the highest priority in terms of providing superior values to customers in research conducted by considering customer orientation is the most fundamental thing for the company. According to Tjiptono et al (2008) Customers are the most important side of a company to determine its customer orientation.

According to Kotler (2009) It is a corporate culture that constantly seeks information about strategies and products offered by competitors in order to win the competition. Competitor orientation includes: (1) responding quickly to competitors' "attacks", (2) leaders discussing with workers about competitors' strengths and strategies to face competition, (3) actively monitor competitors' strategies, (4) increase competitive advantage through target consumers.

According to Kotler (2009) Coordination between interrelated functions is shown through the dissemination of market information to members of the organization as well as the involvement of HR in marketing and product development activities. Coordination between functions, including: (1) sharing information about consumers to all functions within the business scope, (2) all HR knows market information, (3) contributes to increasing value for customers, (4) HR is involved in product development new.

Currently, many products are produced and offered by producers to the public, so competition in the business world is getting tougher and sharper. From the current intense competition, manufacturers are required to generate and develop a product innovation idea that is different from its competitors or develop an existing product into a special product to capture consumer interest. Product innovation is very useful for the development and growth of the company.

Based on several theories and several experts, the definition of Product Innovation is summarized according to Bukhori (2017) is the Implementation of product updates to adapt to consumer demand Innovation is a process of doing new things that companies have never previously done. An idea raised in the creation of a new product that has small or large value. Therefore, according to Riyanti (2019), innovation is also a transformation or conversion of creative ideas into useful applications.

According to Tjiptono and Chandra (2012) the product innovation process has the following stages:

- Idea generation stage The process of developing a new product begins with a search for ideas or ideas that come from a number of sources.
- Screening Stage Intended to eliminate or evaluate new concepts.
- Business Analysis aims to get as comprehensive a picture as possible about the financial impact that can be taken by introducing a new product.
- Development Stage Some of the ideas that emerge must be changed to be as perfect as possible with the concept tested first by the company.
- Testing stage This stage provides a more detailed assessment of the chances of success of new products, identifies the final adjustments that a product requires and determines the important elements of the marketing program used to introduce new products.
- Commercialization Stage This stage has to do with planning and implementing a new product launch strategy, which has several components: the right time to launch a new product, branding a new product, coordination with marketing programs that support the introduction of new products.

Company performance is a factor commonly used to measure the impact of a company's strategy. According to Ferdinand (2000) company strategy is always directed to produce good performance in the form of marketing performance and financial performance.

Marketing performance is based on profitability, where the company's ability to earn profits in relation to sales, total assets, and own capital. So profitability is the net result of a series of policies and decisions the higher the profitability the better the performance (Weston Besley Bringham (1996).

Marketing performance is a measure of the marketing strategy applied to the company, so according to (Ferdinand 2000) marketing performance indicators as a measuring tool for achieving the results of marketing performance are:

- Sales Growth
- Customer Growth
- Profit Growth

Based on the indicators put forward according to several experts in measuring the results of marketing performance, the researchers chose marketing performance measurement according to Ferdinand (2000).

II. METHODS

In this study there are 3 variables used which consist of:

- Independent variables consisting of Market Orientation (X1) and Product Innovation (X2)
- The dependent variable is Marketing Performance (Y)

The population used in this study is Creative Industry SMEs in Makassar City which are engaged in Fashion, Food and Beverage, Handicrafts, Photography, and Film.

The sample in this study which represents the total population is that which has characteristics that are in accordance with the results of the variables to be studied. To determine the number of samples with a population of 5 Creative Industry SMEs, cluster sampling is used with the following amounts:

Sektor UMKM	Karyawan
Fashion	10
Food and Beverage	10
Kerajinan Tangan	10
Fotografi	10
Film	10

Table 1: cluster sampling

III. RESULT

The results of the research reflected in the data analysis described earlier show that simultaneously there is a significant influence of the two independent variables namely market orientation (X1) and product innovation (X2) on marketing performance (Y) in 5 MSME creative industries in Makassar City. This effect has a strong level of relationship which means that the two independent variables are very important variables in improving marketing performance.

A. The Effect of Market Orientation on Marketing Performance in 5 Creative Industry MSME Sectors in Makassar City

Based on the results of the calculation of the partial hypothesis test (t-test), the market orientation variable (X1) has a significance value of 0.005. This value is smaller than the significance value of 0.05. So it can be concluded that market orientation has a significant influence on the marketing performance of MSMEs, so the hypothesis in this study is accepted. The results of the study show that market orientation has a significant effect on marketing performance in 5 creative industry MSME sectors in Makassar City. Partially shows that market orientation has a

significant influence on marketing performance in 5 creative industry MSME sectors in Makassar City.

This is in line with research conducted by Nadya Primanita (2017), where the results of her research explain that market orientation influences the marketing performance of 5 creative industry MSME sectors in Makassar city.

B. The Influence of Innovation on Marketing Performance of 5 Creative Industry MSME Sectors in Makassar City

Based on the results of partial hypothesis test calculations (t-test), the significance value of the Product Innovation variable (X2) is 0.000. This value is smaller than the significance value of 0.05. So it can be concluded that product innovation has a significant influence on marketing performance. So it can be concluded that there is a significant and positive influence between the product innovation variable and the marketing performance of creative industry SMEs in the city of Makassar, so the hypothesis in this study is accepted.

Based on the presentation of the test results, supporting theory and previous research which has the same results as this study, it can be concluded that with product innovation, product innovation will be able to respond successfully to its environment and further develop the company's ability to achieve competitive advantage which will have an impact on marketing performance.

IV. DISCUSSION

Based on the results of the research described earlier, it can be concluded that:

- Partially test the hypothesis (t-test), obtain a significant value of the market orientation variable (X1) of 0.005. This value is smaller than the significance value of 0.05. So it can be concluded that market orientation has a significant influence on the marketing performance of MSMEs, so the hypothesis in this study is accepted.
- Partial hypothesis testing (t-test), obtained a significance value of the Product Innovation variable (X2) of 0.000. This value is smaller than the significance value of 0.05. So it can be concluded that product innovation has a significant influence on marketing performance. So it can be concluded that there is a significant and positive influence between the product innovation variable and the marketing performance of creative industry SMEs in the city of Makassar, so the hypothesis in this study is accepted.

V. CONCLUSION

The suggestions that researchers can give to interested parties from the results of this study are:

- The 5 MSME sectors in Makassar City should prioritize customer orientation because the customer orientation aspect is a consumer element that is considered a control function in holding marketing roles and responsibilities within the company.
- Besides paying attention to customers, companies also pay great attention to their competitors, because this will support business vigilance.

- Companies must be able to develop products that suit customer needs but must also be able to make the product development budget efficient so that they do not experience losses arising from product development activities.

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