Effect of Market Orientation, Technology Orientation, Entrepreneurship Orientation on Marketing Performance with Innovation Orientation as a Mediator

Bambang Irawan¹, Mahjudin², Djoko Soelistya³

¹PT. Karya Mina Laut Gresik

²Postgraduate Department University of Muhammadiyah Gresik, Indonesia
Jl. Sumatra No. 101 GKB - Gresik 61121

³Postgraduate Department University of Muhammadiyah Gresik, Indonesia
Jl. Sumatra No. 101 GKB - Gresik 61121


Abstract
Capture fisheries and aquaculture products are widely used for processing fishery products and raw materials from fish are sold for public consumption needs and also for export needs for other countries. Processed from raw fish materials, among them are fish balls, crab sticks, kamaboko where the raw materials come from Surimi products which are semi-finished products that have many benefits for the development of processed fish products.

Market demand is increasing, so companies must be able to move quickly to get a supply of raw materials, besides that they must innovate and utilize appropriate technology in an effort to gain competitiveness in the market. Consumer desires become more priority than products that are currently being sold to consumers so companies must know what customers want and put customers as the main focus of the company.

This study uses research samples in the form of employees who have direct responsibility in Surimi Manage group including business manager, factory manager, production manager, quality control manager, purchasing manager, production planning and inventory control (ppic) manager, assistant manager, engineering, quality assurance (QA), finance & accounting (FA), HRD, supervisor and person in charge (pj) totaling 100 respondents.

Based on the conclusions which are the implications of the results of research conducted regarding the effect of market orientation, technology orientation, entrepreneurial orientation on marketing performance with innovation orientation as a mediation.

The results showed that the market orientation variable has an influence on marketing performance and innovation orientation. This condition shows that it is so important in running a company to be market-oriented and innovation-oriented because it can affect marketing performance so that later it can affect the level of sales volume and generate profits for the company in the future.
Keywords: Strategic marketing, Market orientation, Marketing performance, Surimi

Introduction
The Covid-19 pandemic occurred at the beginning of 2020, namely in March until now. In this situation, many companies were affected by the pandemic, especially the impact of sales, where most of the companies experienced a decline, both export and domestic sales. At the beginning of the Covid-19 Pandemic in 2020, it had no impact on the marketing performance of the Manage Group Company on Surimi products. In the second year of the COVID-19 pandemic in 2021, where the marketing performance of group management on Surimi products experienced a significant decline, causing a decrease in profits and sales turnover. So the identification of customers through marketing performance analysis is deemed very necessary.

Market demand is increasing and expanding related to this surimi product, so companies must be able to move quickly to get a supply of raw materials, besides that they must innovate and utilize appropriate technology related to the surimi industry in an effort to gain competitiveness in the market. The innovation factor is always influenced by product expansion, new products, completely new products (Alihusna, 2019). Kotler and Armstrong (2012) say that consumer desires are a priority compared to products currently being sold to consumers. So the company must know what the customer wants and put the customer as the main focus of the company.

Entrepreneurship and innovation are concepts that are often associated with improving company performance as resources for competitive advantage. In an increasingly dynamic and growing business environment, companies need to improve services and add value added products through various entrepreneurial and innovative activities. There are various factors that influence the achievement of competitive advantage, one of which is the entrepreneurial orientation attitude of business people. Business people who have an entrepreneurial orientation have better performance. Mulyanida & Mudiantono (2015) entrepreneurial orientation has a positive effect on innovation orientation because entrepreneurial orientation is more significant in having the ability to innovate than those who do not have the ability in entrepreneurship. In addition, the company's willingness and ability to act proactively to take advantage of business opportunities is needed in increasingly fierce business competition where this proactive attitude is one indicator of entrepreneurial orientation. Rokhayati & Suryoko (2020), stated that entrepreneurial orientation has a positive effect on innovation, that the ability of a company to be proactive and dare to take risks in creating the company's ability to innovate products to create customer satisfaction.

The winners in the competition are those who have strong independence, creativity and innovation as well as good self-management. With good management, an entrepreneur can accept and manage and take advantage of it (Syifa, 2020). Rokhayati & Suryoko (2020), stated that entrepreneurial orientation has a positive effect on innovation performance is also supported by strong entrepreneurial orientation capabilities, innovative activities, acting proactively, daring to take risks to achieve optimal performance (Hatta, 2015). Utaminingsih's research (2016) states that market orientation, innovation orientation and strategic marketing creativity have a significant effect on marketing performance.
Previous studies that have been conducted related to the effect of market orientation, technology orientation and entrepreneurial orientation on innovation orientation as a mediator for marketing performance as previously mentioned in the background, however, researchers have not found any research that examines the effect of technology orientation on innovation as a mediator on marketing performance. Therefore, the researcher wants to investigate the innovation orientation model that is influenced by technology orientation on marketing performance in a series of influence models from market orientation, technology orientation, and entrepreneurial orientation to innovation orientation as a mediation for marketing performance.

**Theoretical Background**

**Definition of Innovation Orientation**

Innovation is the ability to apply creativity in solving problems and finding opportunities. One of the most important characteristics of entrepreneurs is their ability to innovate. Without innovation, companies are very difficult to compete. The more product innovations the company undertakes, the higher the level of competitive advantage of the company. Innovation in the business world is created from various things, including; competition is very tight, many similar products are imitated, the system used is not efficient, income is stable or no increase, and can also be created due to the demands of consumer needs and tastes that continue to change with the times (Sari, 2016).

Innovation orientation is the guiding principle for the creation and implementation of strategies that enhance enterprise innovation. The innovation-oriented knowledge structure component consists of a learning philosophy, strategic direction and transfunctional beliefs within the organization that enhance the competencies that enable innovation and lead to specific innovation outcomes. The results of innovation manifest in the form of new product programs and ultimately competitive advantage and financial performance (Andonova & Losada-Otalora, 2020). An innovation-oriented firm enables the firm to differentiate itself from competitors by rebuilding its position in existing markets or entering new markets. The continuous flow of innovative products allows the company to expand its product portfolio and ensure sustainable financial flows (Hughes et al., 2019).

**Definition of Market Orientation**

Market orientation is a view, perspective or culture that is seen from the company's processes and activities in creating the highest value for customer needs and desires as the core of the marketing process, namely focusing on consumers. Market-oriented companies are companies that are able to develop and understand better what consumers need so that they can create customer value and create market strategies with information on competitors' strengths and weaknesses (Riadi, 2020). Market orientation focuses on markets that include customers and the factors or forces that influence them (Ulya, 2019).

Market orientation is something that is important for companies in line with increasing global competition and changes in customer needs where companies realize that they must always be close to their markets. Market orientation is a business culture where the organization has a commitment to continue to be creative in creating superior value for customers (Badruz, 2017).
The concept of market orientation relates to company activities that emphasize its strategic policies to consumers by understanding competitors' reactions and creating a conducive internal environment (Octavia et al, 2017).

**Definition of Technology Orientation**
Technology is one of the factors that influence the success of new products, where by using sophisticated technology, companies can create better or more innovative products. Changes in technology will have a great influence on many components in society, through products, processes and something new and capable of producing better organizational performance. Technology selection includes the institutions and activities involved in creating new knowledge and translating that knowledge into new products, processes that can provide better benefits than previously produced products. Rapid technological change is a momentum for companies to examine the technology segment quickly and thoroughly. Concrete steps in responding to technology are shown by the company with a commitment to the role of research and development, adopting new technologies early, using production process technology that is in accordance with market needs, producing products that are full of innovation and providing the best value for consumers in order to gain market share. higher and better profit (Lestari & Warmika, 2019). The definition of technology based on Aprizal (2018) is as a facilitator in developing a product and helping to meet market needs and wants. In addition, technology is one of the factors that influence the success of new products.

**Understanding Entrepreneurship Orientation**
Entrepreneurial orientation is the ability to create something new and different (Helia et al, 2015). Wardoyo et al (2015) stated that entrepreneurial orientation is a company benefit strategy to be able to compete more effectively in the same market place. Companies that are more innovative, proactive, and dare to take risks tend to be able to perform better in business. Another definition is that entrepreneurial orientation is seen as having the ability to improve the performance of a company. In addition, entrepreneurial orientation refers to processes, practices, and decision-making that lead to new inputs (Arbawa & Wardoyo, 2018). The form of the application of entrepreneurial attitudes can be indicated by an entrepreneurial orientation with an indication of the ability to be innovative, proactive and the ability to take risks. Entrepreneurial orientation can contribute to the performance and endurance of a superior business. Entrepreneurial orientation is seen as having the ability to improve the performance of a company. (Hidayat & Murwatiningsih, 2018).
Entrepreneurial orientation is defined as an innovative attitude that makes companies ready to take risks, and to achieve market leadership requires understanding of the market environment and rapid response to market opportunities. Entrepreneurial orientation is a creative and innovative ability that is used as the basis, tips, and resources to achieve opportunities for success. The extent to which organizations are able to identify and exploit existing and untapped opportunities is a reflection of their entrepreneurial orientation (Djayadiningrat et al, 2017).

**Metode Penelitian**
This study uses a quantitative approach with a survey method using or distributing digital questionnaires. This method is carried out for consideration because research costs are relatively affordable and can be carried out in a relatively short time.

The sample in this study is the entire population taken, namely employees who have direct responsibility in the Surimi Manage group including business managers, factory managers, production managers, quality control managers, purchasing managers, production planning and inventory control (ppic) managers, assistant manager, engineering, quality assurance (QA), finance & accounting (FA), HRD, supervisor and person in charge (pj) totaling 100 respondents.

The variables used in this study use endogenous variables (Y), mediating variables (Z) and exogenous variables (X) which are in their translation. Questionnaires that will be given to all employees who have direct responsibility at Surimi Manage the group include business manager, factory manager, production manager, quality control manager, purchasing manager, production planning and inventory control (ppic) manager, assistant manager, engineering, quality assurance (QA), finance & accounting (FA), HRD, supervisor and person in charge (pj).

This research instrument will be measured using a Likert Scale.

Structural Equation Modeling is used to answer research problems that have been proposed before.

**Measurement Test Model**

Based on the results of the PLS analysis in the PLS Algorithm for validity and reliability tests, the coefficient of model determination and the path coefficients for the equation model, have been shown based on the results of the PLS AlgorithmLisrel's PLS output, which can be observed in the following figure:

![Diagram](image)

Below, the value of the outer loading of each indicator of the research variables can be explained in the following table:

**Table Convergent validity**
Based on the data display in the table above, it is known that each of the research variable indicators has a value of outer loading > 0.7. However, it appears that there are still some indicators that have an outer loading value of <0.7 (Ghozali & Latan, 2015), so that all indicators are declared feasible or valid for research use and can be used for further analysis.

The inner model can be tested by looking at or considering the value of R-square, Q-square and path coefficient to get some important information on how much the dependent latent variable can be influenced by the independent latent variable, as well as the results of the significance test to test the significance value of the influence or relationship between variables (Ghozali & Latan, 2015). The results of Lisrel's PLS analysis can be shown in the following figure.
In the Inner Evaluation of the test model, it will explain the results of the R-Square Test (R²), Q-Square Test (Q²) and Path Coefficient Test, Direct Effect Test and Indirect Effect Test.

**Goodness of Fit Test**

Goodness of Fit (GoF) is a measurement of the accuracy of the overall model, because it is considered a single measurement of the measurement of the outer model and the measurement of the inner model. The measurement value based on Goodness of Fit (GoF) has a range of values between 0 (zero) to 1 (one). The Goodness of Fit (GoF) value which is getting closer to 0 (zero), indicates the model is getting less good, on the contrary the farther away from 0 (zero) and the closer to 1 (one), the better the model. The criteria for the strength of the model based on the Goodness of Fit (GoF) measurement according to Lathan & Ghozali (2015) are as follows: 0.36 (GoF large), 0.25 (GoF medium), and 0.10 (GoF small). The formula for measuring the strength of the model based on the Goodness of Fit (GoF) is:

\[
\text{GoF} = (\text{AVE} \times \text{R}^2) \\
\text{GoF} = \left\{\frac{(0.614+0.603+0.701+0.541+0.533)}{5}\times0.664\right\} \\
\text{GoF} = \left\{\frac{2.992}{5}\times0.664\right\} \\
\text{GoF} = 0.397 \\
\text{GoF} = 0.630
\]

Based on the conclusions which are the implications of the results of research conducted regarding the effect of market orientation, technology orientation, entrepreneurial orientation on marketing performance with innovation orientation as a mediation. Suggestions that can be given are as follows:

The results of the analysis show that the market orientation variable (X1) has an influence on marketing performance and innovation orientation. This shows that it is so important in running a company to be market-oriented and innovation-oriented because it can affect marketing performance so that later it can affect the level of sales volume and generate profits for the company in the future.

The results of the analysis show that the technology orientation variable (X2) has an influence on marketing performance and innovation orientation. This shows that companies in carrying out business activities must be technology oriented because technology can improve marketing performance because it can increase the quantity of surimi product production and be more efficient. In addition to technology, it can help companies in creating other product innovations, not only surimi products.

The results of the analysis show that the entrepreneurial orientation variable (X3) has an influence on marketing performance and innovation orientation. This shows that companies must be entrepreneurship oriented because companies are required to be proactive and dare to take risks in every business policy taken.

The results of the analysis show that the innovation orientation variable (Z) has an influence on marketing performance (Y). This shows that the Company must innovate related to surimi products, both surimi products and innovations derived from surimi raw materials. Companies should not be separated from innovation because it can improve marketing performance.
For future researchers, it is expected to examine variables from the external side such as regulation, availability of raw materials, prices and variables that can be observed when other researchers will conduct the research. Other researchers are advised not to have only one food manufacturing company but several food factories located in one area such as within the scope of one district or province.

**Daftar Pustaka**


Prianto, A. (2017). Identifikasi Berbagai Faktor Pemicu Orientasi Kewirausahaan (Studi pada para pengusaha di empat kota di Jawa Timur). Lecturer Repository


Rita, SE., M.Si (Faculty Member of International Marketing) 26 Feb 2019. competitive advantage. https://bbs.binus.ac.id/gbm/2019/02/26/competitive-advantage/. Unduh 13 Maret 2022


