



## EFFECT COMPETITIVE ADVANTAGE ON MARKETING PERFORMANCE

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### *Abstract*

*The type of research used is quantitative method with the level of explanation using associative problem formulation. The population of all dodol businesses in the city of Padangsidempuan using saturated sampling (census) with a sample of 47 dodol SMEs. The data analysis technique uses multiple linear regression analysis with data processing using SPSS 23 software. Based on the results of the T test (Partial Test), partially the variable (X1) from  $t_{count} 7,890 > t_{table} 2,011$ . In (X2) of  $t_{count} 2,136 > t_{table} 2,011$ . On the variable (X3) of  $t_{count} 3,858 > t_{table} 2,011$ . While the F test (simultaneous test) proves that entrepreneurial orientation, product innovation, and competitive advantage significantly affect marketing performance by 58.977%. From the results of the research conducted, it can be concluded that there is an influence between entrepreneurial orientation on marketing performance, the effect of product innovation on marketing performance and the influence of competitive advantage on marketing performance.*

**Keywords:** *orientation, entrepreneurship, innovation, competitive advantage*

## 1. INTRODUCTION

The intense competition that occurs is also felt by micro, small and medium enterprises (MSMEs) in Indonesia. Based on data from the Ministry of Cooperatives and MSMEs (2016), the contribution of MSMEs to the Gross Domestic Product (GDP) in Indonesia is 60.34%. In addition, MSMEs have also assisted in the absorption of domestic workers with an increasing contribution from 96.99% to 97.22% in the last five years. The proportion of MSMEs which is more than 80% has made MSMEs to be one of the supporters who have an existence in the economy in Indonesia, one of which is the MSMEs in the culinary sector. According to the Ministry of Cooperatives and MSMEs (2016), of the 15 MSME sectors in the creative industry, the contribution of MSMEs to the culinary sector is 32.5% of the Gross Domestic Product (GDP) in Indonesia.

**Table 1. The contribution of MSMEs in the culinary sector compared to other sectors in the creative industry in 2016**

No	Creative Industry MSME Sub-Sector	Contribution to GDP (%)
1	Culinary Sector	32.5%
2	Fashion Sector	28.3%
3	Craft Sector	14.4%
4	Other	24.8%
	Total	100%

*Source: CNN Indonesia, 2016*

However, based on data from BPS (2012), the number of culinary business players in Indonesia is increasing every year, but the growth is always decreasing. The largest growth was 27.7% in 2008, then slowed down to 2.07 percent in 2011. Therefore, the owner or manager of the



business determines what business to do, where the business is to be carried out, when the capital is used, how the expenditure is to be made, and anyone associated with the business including employees and targeted consumers. In the entrepreneurial process, an entrepreneurial orientation is needed because the orientation determines the direction of the business that has been initiated.

According to Jaworski in (Hajj, 2017) Entrepreneurial orientation is a corporate culture that can lead to increased marketing performance. Entrepreneurial orientation is the most effective and efficient organizational culture to create the behaviors needed to create superior value for buyers and produce superior performance for a company. Companies that have made entrepreneurial orientation an organizational culture will be based on external basic needs, wants and market demands as the basis for formulating strategies for each business unit in the organization, and determining the company's success.

Product innovation is no less important. Innovation can also be used as a strategy in achieving marketing performance. Products displayed by business owners must have innovation. The main purpose of innovation is to meet market demand so that product innovation is one that can be used as a marketing performance for a business. The success of an effort to maintain the continuity of product sales lies in its ability to innovate. According to Urbancova in (Nizam, Mufidah, & Fibriyani, 2020) even the innovation created by the company is the key to competitive advantage that determines the economic success of an organization.

In addition to innovation and entrepreneurial orientation to improve marketing performance, companies are required to have a competitive advantage. According to Hasan in (Nizam et al., 2020) By having a competitive advantage, a business will be able to survive so that in measuring its success, the competitiveness of existing businesses supports business performance, including the marketing performance of a business. Competitive advantage can be achieved if every business is able to provide more value to customers than what is provided by its competitors. Competitive advantage can come from various activities of each business such as producing, marketing, delivering, and supporting its products.

## 2. RESEARCH METHODS

This research was conducted to explain the influence of Entrepreneurship Orientation, Product Innovation and Competitive Advantage on Dodol Business Marketing Performance. Population is the total number of objects in the research area. according to (Ferdinand, 2014) Population is a combination of all elements in the form of events, things or people who have similar characteristics that are the center of the research universe. The population in this study is the dodol SMEs in the city of Padangsidempuan.

Taking the number of samples from the population has its rules or techniques. By using the correct technique the sample is expected to represent the population. Measurement of samples taken in carrying out a study. In addition, it is also noted that the sample used must show all the characteristics of the population so that it is reflected in the selected sample. In other words, the sample must be able to describe the actual or representative state of the population.

In this study, the authors used a saturated sample (census) technique. Presentation put forward (Sugiyono, 2017) Saturated sampling technique is a sampling technique when all populations are used as samples. Therefore, the authors chose to use a saturated sample (census) because the population is relatively small. So the sample used in this study amounted to 47 respondents, namely SMEs dodol in the city of Padangsidempuan.

## 3. RESULTS AND DISCUSSION

### Results

Multiple linear analysis aims to answer the problems in this study. This analysis is used to analyze the effect of Entrepreneurial Orientation (X1), Product Innovation (X2), and Competitive Advantage (X3) variables on the dependent variable, namely Marketing Performance (Y). Based on the data obtained, then performed calculations or data processing using the SPSS program. The equation of the results of the data analysis regression obtained the following values:



**Table 2. Variable Effect**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1,213	3,236		,375	,710		
X1	,583	,074	,624	7,890	,000	,726	1.37
X2	,130	,061	,156	2,136	,038	,853	1.17
X3	,373	,097	,325	3,858	,000	,639	1,56

Source: Research Results, 2021 (Data processed)

Thus, the results of statistical calculations can be written simultaneous multiple linear regression equations as follows:

$$Y = 1.213 + 0.583X1 + 0.130X2 + 0.373X3$$

From the results of the regression equation above, it is known that the results of the study are as follows:

1. The constant value is 1.213, meaning that if the Entrepreneurial Orientation, Product Innovation, and Competitive Advantage variables are zero or constant, then the Marketing Performance variable will be worth 1.213.
2. The regression coefficient of the influence of the Entrepreneurship Orientation of 0.583 explains that every one unit increase in the Entrepreneurial Orientation will be able to increase the Marketing Performance of Dodol Business in Padangsidimpuan City by 0.583, meaning that there is a positive influence of the Entrepreneurial Orientation variable on the Marketing Performance of Dodol Business in Padangsidimpuan City.
3. The regression coefficient of the influence of Product Innovation of 0.130 explains that every one unit increase in Product Innovation perceived by the customer will be able to increase the Marketing Performance of the Dodol Business in Padangsidimpuan City by 0.130, meaning that there is a positive influence of the Product Innovation variable on the Marketing Performance of the Dodol Business in Padangsidimpuan City.
4. The competitive advantage regression coefficient of 0.373 explains that every one unit increase in competitive advantage felt by customers will be able to increase the Marketing Performance of Dodol Business in Padangsidimpuan City by 0.373, meaning that there is a positive influence of Competitive Advantage variable on Dodol Business Marketing Performance in Padangsidimpuan City.

#### 4.2.3 Hypothesis Test

##### a) t-test (partial)

This test was conducted to see the significance of the influence of the independent variables individually on the dependent variable (partially). Assuming other variables constant. If  $t$  count  $t$  table with a significance of 5%, it can be concluded that partially the independent variable has a significant effect on the dependent variable. If  $t$  count  $<$   $t$  table with a significance level of 5%, it can be concluded that the independent variable has no effect on the dependent.

The test results obtained from SPSS 23 are as follows:



**Table 3. T test**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,213	3,236		,375	,710
X1	,583	,074	,624	7,890	,000
X2	,130	,061	,156	2,136	,038
X3	,373	,097	,325	3,858	,000

Source: Research Results, 2021 (Data processed)

Based on Table 4.10, the results of the t-test can be explained as follows.

1. Partial influence of Entrepreneurial Orientation variable on Dodol Business Marketing Performance in Padangsidempuan City

From the results of the comparison of the value of the regression coefficient with the standard error obtained the value of t count for the influence of the Entrepreneurial Orientation variable is 7,890 at the limit of the significance probability value of 0.000. Meanwhile, the t-table value at df 47 and a significant level of 5% is 2.01174. The results of this calculation indicate that the t-count value is greater than the t-table value so that a decision can be taken that the alternative hypothesis (Ha) is acceptable and rejects the null hypothesis (Ho), meaning that the Entrepreneurial Orientation (X1) partially has a significant effect on Marketing Performance ( Y) Dodol consumers in Padangsidempuan City.

2. Partial influence of Product Innovation variable on Dodol Business Marketing Performance in Padangsidempuan City

From the results of the comparison of the value of the regression coefficient with the standard error obtained the value of t count for the effect of the Product Innovation variable is 2,136 at the limit of the significance probability value of 0.038. Meanwhile, the t-table value at df 47 and a significant level of 5% is 2.01174. The results of this calculation indicate that the t-count value is greater than the t-table value so that a decision can be taken that the alternative hypothesis (Ha) is acceptable and rejects the null hypothesis (Ho), meaning that Production Innovation (X2) partially has a significant effect on Marketing Performance ( Y) Dodol consumers in Padangsidempuan City.

3. Partial influence of Competitive Advantage variable on Dodol Business Marketing Performance in Padangsidempuan City.

From the results of the comparison of the value of the regression coefficient with the standard error obtained the value of t count for the effect of the Competitive Advantage variable is 3,858 at the limit of the significance probability value of 0.000. Meanwhile, the t-table value at df 47 and a significant level of 5% is 2.01174. The results of this calculation show that the t-count value is greater than the t-table value so that a decision can be taken that the alternative hypothesis (Ha) is acceptable and rejects the null hypothesis (Ho), meaning that Competitive Advantage (X3) partially has a significant effect on Marketing Performance ( Y) Dodol consumers in Padangsidempuan City.

## Discussion

### The Effect of Entrepreneurial Orientation on Marketing Performance

From the results of the comparison of the regression coefficient with the standard error, it is obtained that the t value for the influence of the Entrepreneurial Orientation variable is 7.890 at the limit of the significance probability value of 0.000. Meanwhile, the t-table value at df 47 and a significant level of 5% is 2.01174. The results of this calculation show that the t-count value is greater than the t-table value so that a decision can be taken that the alternative hypothesis (Ha) is acceptable and rejects the null hypothesis (Ho), meaning that the Entrepreneurial Orientation (X1) partially has a significant effect on Marketing Performance ( Y) Dodol consumers in Padangsidempuan City.

This research is in line with research conducted by (Arif & Widodo, 2011) entitled "Marketing Performance Improvement Model in the Context of Environmental Adaptability" that



the results of this study prove the Entrepreneurial Orientation has a positive and significant effect on marketing performance.

#### **Effect of Product Innovation on Marketing Performance**

From the results of the comparison of the value of the regression coefficient with the standard error obtained the value of t count for the effect of the Product Innovation variable is 2,136 at the limit of the significance probability value of 0.038. Meanwhile, the t-table value at df 47 and a significant level of 5% is 2.01174. The results of this calculation show that the t-count value is greater than the t-table value so that a decision can be taken that the alternative hypothesis (Ha) is acceptable and rejects the null hypothesis (Ho), meaning that Product Innovation (X2) partially has a significant effect on Marketing Performance (Y) Dodol consumers in Padangsidempuan City. This research is in line with research conducted by (Djayadiningrat et al., 2017) entitled "The Role of Product Innovation to Mediate Entrepreneurial Orientation on Marketing Performance of Imk Food Industry Sector Denpasar City" that the results of this study state that product innovation has a positive and significant effect on marketing performance.

#### **Effect of Competitive Advantage on Marketing Performance**

From the results of the comparison of the value of the regression coefficient with the standard error obtained the value of t count for the effect of the Competitive Advantage variable is 3,858 at the limit of the significance probability value of 0.000. Meanwhile, the t-table value at df 47 and a significant level of 5% is 2.01174. The results of this calculation show that the t-count value is greater than the t-table value so that a decision can be taken that the alternative hypothesis (Ha) is acceptable and rejects the null hypothesis (Ho), meaning that Competitive Advantage (X3) partially has a significant effect on Marketing Performance (Y) Dodol consumers in Padangsidempuan City.

This research is in line with research conducted by (Djodjobo & Tawas, 2014) entitled "The Influence of Entrepreneurship Orientation, Product Innovation, and Competitive Advantage on the Marketing Performance of Nasi Kuning Business in Manado City" shows the results that there is a positive and significant influence between competitive advantage on marketing performance.

#### **The Influence of Entrepreneurial Orientation, Product Innovation, and Competitive Advantage on Marketing Performance**

The results of dividing the Mean Square regression with the residual Mean Square obtained a calculated F value of 58,977 with the limit of significance probability value is 0.000. While the value of F table at a significant level of 5% and df 43 is 2.82. Thus the calculated F value (58.977) is greater than F table (2.82) so that a decision can be taken, namely accepting the alternative hypothesis (Ha) and rejecting the Ho hypothesis, meaning Entrepreneurship Orientation (X1), Product Innovation (X2), and Excellence Competing (X3) jointly affects the Marketing Performance (Y) of Dodol consumers in Padangsidempuan City.

From the results of the SPSS output, the Adjusted R Square is 0.791. Adjusted Value R Square This amount explains, the role of Entrepreneurial Orientation (X1), Product Innovation (X2), and Competitive Advantage (X3) variables in influencing Dodol's Marketing Performance (Y) in Padangsidempuan City is 0.804 or 80.4%. While the residual (residual value) of the role of these variables is 0.196 or 19.6% influenced by other variables that are not involved in this study. In the marketing performance of a product, sellers will offer superior value to the products offered. With a good and positive entrepreneurial orientation, attractive product innovations in the market will attract more potential consumers. This of course is also closely related to competitive advantage.

## **4. CONCLUSION**

This study aims to determine the effect of Entrepreneurship Orientation, Product Innovation, and Competitive Advantage on Marketing Performance. Based on the results of the study, the following conclusions were obtained. Entrepreneurship Orientation partially affect the marketing performance of the dodol business in the city of Padangsidempuan. Product innovation partially affects the marketing performance of the dodol business in the city of Padangsidempuan. Competitive Advantage partially affects the Marketing Performance of Dodol Business in



Padangsidempuan City. Entrepreneurial orientation, Product innovation, and Competitive advantage simultaneously affect the Marketing Performance of Dodol Business in Padangsidempuan City.

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