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## **The Effect Of Market Orientation and Customers Convection Business Marketing Performance in the City of Palembang**

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### **Abstract**

This study aims to analyze the influence of orientation and customers on the marketing performance of convection businesses in Palembang City (Study on Convection Businesses in Palembang City). The benefits of this research theoretically can add to knowledge and as reference material for future research. This study uses a quantitative methodology. Quantitative research is research that uses data analysis in the form of numbers. The independent variables in this study are market orientation, customer orientation, and the dependent variable is marketing performance. Based on the results of the study, it shows that market orientation has a significant effect on marketing performance, while customer orientation does not have a direct effect on marketing performance in the convection business in the city of Palembang.

*Keywords: Customers, Marketing Orientation, Marketing Performance.*

### **INTRODUCTION**

Indonesia is known as one of the largest countries producing traditional fabrics that are beautiful, varied, full of creations, and related to various cultural elements of their respective ethnic groups. Examples of cloth products from Indonesia are woven cloth, songket cloth, batik cloth, etc. In 1901, Indonesian traditional fabrics were introduced to European society through an exhibition held by G.P Rouffaer in The Hagg.

Palembang Songket cloth is one of the cultural works from South Sumatra which has been designated as an Intangible Cultural Heritage of Indonesia in 2013. This cultural work is included in the domain of skills and proficiency in traditional crafts. Songket is classified in the brocade woven family, songket is woven with two hands using gold and silver threads, and is generally used on official occasions, such as weddings or other traditional events.

The growing era of songket cloth is one of the business opportunities. Business actors take advantage of the situation by opening a center for the songket craftsmen industry. This industrial center makes it easier for songket craftsmen to market the songket they make, making them not have to be tired of going around the market to sell their songket.

The songket business was chosen as the object to be studied in this study because the songket business is an industrial sector that is a mainstay for the local and export markets. The market condition which is still quite large is a big opportunity for songket products in Palembang to develop market penetration.

Palembang was chosen because this area is the center of the songket business in Indonesia, which is used as an object in this study is the small-scale songket business, that industries that are on a small scale are still limited in applying technology. This study aims to analyze and test the effect of market and customer orientation on the marketing performance of songket businesses in Palembang.

Market orientation is a measure of behavior and activity from the implementation of the marketing concept. 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. Market orientation significantly becomes an important factor that allows companies to understand the market and develop product and service strategies to meet customer needs and market needs.

Customer orientation is the company's understanding of target buyers so that it can create superior value for them continuously. Customer orientation requires that a seller is able to understand the overall value chain of a buyer. Through customer orientation, it will shape customer orientation and perception of the values it builds and feels, which in turn will result in customer satisfaction.

Marketing strategy is one of the important factors in doing business. This is because there is a lot of competition in the business world that makes all business



people think creatively and innovatively to attract consumers. Marketing strategies by utilizing technology can make it easier to market products.

Marketing Performance related to understanding, creating, communicating, and providing value to consumers is the essence of modern marketing, so marketing can be said as a process of giving satisfaction to consumers to provide profit. Marketing performance provides three dimensions, namely company effectiveness, sales growth, and profitability. Meanwhile, Johnson argues that to measure the performance of a company with the market and the importance of relationships between real partners, these dimensions can also be used to measure marketing performance.

Marketing should not only think about the number of items sold, profits and commissions to be earned. More than that, a marketer must think of a higher selling philosophy to create good and sustainable relationships with buyers and customers. Learning on marketing performance occurs naturally, based on marketing evaluations that are done.

Based on the description that has been described, it can be concluded that performance marketing is an activity that consists of understanding, creating, communicating and providing a value to consumers and with the ultimate goal of increasing profit for companies from activities to consumers. To measure marketing performance in this study using indicators of customer growth, sales volume, and profitability.

The concept of marketing and market orientation is seen as one of the focuses of attention of marketing management to articulate the developed strategies. To increase profitability, the company will focus its management attention on identifying its customers. The view to get to know customers and customer needs is inseparable from the objectives and marketing concepts to satisfy customers.

## **RESEARCH METHODS**

The research design is a strategy for setting the research background so that researchers obtain valid data according to the variable characteristics and research objectives. This research uses a quantitative approach.

In general, this study aims to describe and analyze the relationship between market orientation, customers and marketing performance in convection businesses in the city of Palembang. The main method of research through survey research

is research conducted by taking samples from the population. Data collection techniques used in this study are:

1. Observation

Researchers observed directly the state of the company, especially the application of promotional policies carried out by the company.

2. Questionnaire

The main data collection technique is carried out by spreading a number of questions that will be given to respondents to answer.

3. Interview

The interview technique was carried out by asking questions directly to respondents or informants to obtain the information needed for research. In general, the interview or interview process is divided into two types in its implementation, namely structured and unstructured.

## **Research Instrument Test**

### **Validity Test**

Validity is the level of reliability and validity of the measuring instrument used. The instrument is said to be valid, meaning that the measuring instrument used to obtain data is valid or can be used to measure what should be measured (sugiyono, 2004: 137).

### **Reliability Test**

A reliable instrument means an instrument that when used several times to measure the same object will produce the same data, while reliable research results if there are similarities at different times (ghozali, 2011).

A variable is said to be reliable if it gives a cronbach alpha value  $> 0.60$ . According to sekaran (2000), an alpha value between 0.8-1.0 is categorized as good reliability if a value of 0.6-0.79 is categorized as acceptable reliability and an alpha of less than 0.6 is categorized as poor reliability.



Valid research means that there must be similarities between the data collected and the data in the field or the data being studied. If an object is white, while the data in the field is red, then it can be said that the research is not valid or reliable. While valid research shows that if the data collected, the data in the field must also be the same.

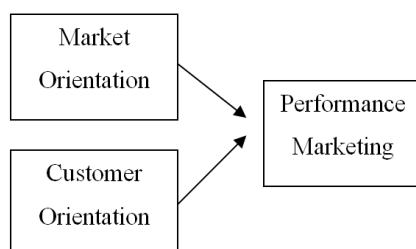
### Classic assumption test

In this study, the classical assumption test was carried out in three stages, namely the normality test, heteroscedasticity test and collinearity test. The normality test is carried out to test each variable in the model whether it has a normal frequency distribution or not.

The heteroscedasticity test can be interpreted as the dissimilarity of the variables in all observation periods and the errors that occur show a systematic relationship according to the magnitude of one or more independent variables so that the errors are not random. The collinearity test can be detected in the regression model if there are pairs of independent variables that are strongly correlated with each other.

### Regression Test

T test is used to determine the level of influence of the independent variable on the dependent variable. As for drawing conclusions whether the results of the hypothesis can be accepted or rejected is to look at the significance, that is if the significance of  $T \leq 0.05$  then  $H_0$  is rejected and if the significance of  $T > H_0$  is accepted.



## RESULTS AND DISCUSSION

Based on the frequency of respondents' answers to the questionnaire, it can be seen that most of the respondents have a good perception of market orientation. The

market is the goal of a company to introduce and market its goods. Market orientation is one of the strategies used by companies to enter and survive in the market.

Market orientation in this study focuses on customers and competitors. Customers and competitors have a significant impact on the convection business in the city of Palembang. The large number of producers with homogeneous commodities is a big challenge for producers. Based on interviews with songket business producers in the city of Palembang, they stated that only 70% -90% of their market is a place for tourists visiting the Ramayana area of South Sumatra. While the rest were sent outside the island.

The results of this study support research conducted by Suprpto (2007) with the title analysis of the influence of human resource development, market orientation, promotional tactics on competitive strategy and marketing performance is significantly positive. By implementing a market orientation carried out by the company which includes customer information, cross-functional coordination, and responsiveness to show the extent to which the marketing concept is implemented within an organization.

These results also support Pelhan and Wilson's (1997) research, the results of which prove that market orientation in small companies has a strong and consistent influence on marketing performance. Pelhan and Wilson stated that in a competitive environment, some small companies respond to competition by paying high attention to market-oriented activities.

The amount of competition in this industry makes business actors to improve product quality, prices and promotions to generate high purchasing decisions. Educating consumers about the fabrics being marketed, such as fabric materials, various motifs, etc. This can be an influence on the level of sales.

<b>Tahun</b>	<b>Jumlah Penjualan (Unit)</b>
2017	1320
2018	1345
2019	1447
2020	1550
2021	1550

Based on Table 1.1 it shows that sales from 2017-2019 have increased, whereas in the last two years there has been no change in the amount of sales.



### **Effect of Market Orientation on Marketing Performance**

This study shows that market orientation has a positive and significant effect on marketing performance in the convection business in the city of Palembang. The more the convection business is market oriented, the higher the marketing performance. The influence of market orientation on marketing performance is positive, so it can be said that companies that carry out market orientation well will improve the company's marketing performance.

Market orientation has a significant positive effect on marketing performance, meaning that as market orientation increases, marketing performance increases. This means that companies that are sensitive to efforts in the form of strategies that are oriented to market conditions, consumer demands, customer desires will also be sensitive to the behavior or strategies carried out by their competitors.

The market orientation carried out by the songket business in the city of Palembang is a way used by companies to find out what consumers want, the condition of competitors, as well as coordination carried out by each part within the company to create strategies that are beneficial for the continuity of the company's business.

That product innovation carried out by the songket business in the city of Palembang is a way used by companies to create new ideas, new innovative products aimed at creating an advantage for companies in competition.

This research shows that by being market oriented, companies can increase sales of songket products by 37.32%. Product innovation carried out by the company has proven to be able to increase the profits achieved by the company.

The use of traditional weaving equipment has not been able to save time and production costs when compared to using modern machines. The innovations that have been carried out by the company have a positive influence on the company because they are able to increase competitive advantage.

### **The Effect of Customer Orientation on Marketing Performance**

The results of hypothesis testing in this study indicate that the role of customer orientation has no direct significant effect on marketing performance. The higher the customer orientation does not necessarily directly improve the marketing performance of the convection business in the city of Palembang.

Based on the results obtained from the respondents' answers, it means that implementing the role of customer orientation such as communicating with customers, understanding customer desires may not necessarily improve marketing performance.

It is assumed that the customer's perspective may assume that this implementation is an absolute obligation for all business actors to provide the best for their customers, not as an effort that can directly improve marketing performance.

For example, the company's efforts to understand customer desires by providing good service, providing facilities for customer convenience, this is of course the obligation of all companies to serve their customers well.

The results of this study are inconsistent and best compared with the results of Maurya *et al.* (2015), Wahyudiono (2018), Pratiwi (2019), Azizah and Maftukhah (2017), Wulandari (2012), Dewi and Nuzuli (2017) which state that customer orientation has a significant effect on marketing performance. However, the results of this study strengthen the research of Suarniki (2015) which concluded that consumer orientation has no significant effect on marketing performance.

The right customer orientation will be able to help the company know the decisions to be made. By conducting customer orientation, companies will easily find out about customer tastes and try to provide the best for customers (Rauch *et al.*, 2009).

Judging from the level of profit that has been achieved by the company. The advantages of the products include new songket varieties and motifs, trend-following designs, better fabric quality, and the level of art developed by manufacturers can improve marketing performance which is able to increase its customers, and is able to increase sales growth and sales volume.

## **CONCLUSION**

Based on the results of this study, it can be concluded that market orientation factors affect marketing performance, while customer orientation does not directly affect marketing performance in convection businesses in Palembang.

Songket business owners must be able to carry out product development related to motifs, better raw materials for making songket so that songket products are increasingly in demand by consumers, and must apply sophisticated





technology in producing and marketing songket so that they can be more widely known by consumers.

It is hoped that the results of this study can be used as a reference for future researchers who will examine the same concept. It is advisable for researchers who will conduct similar research to develop this research, especially on the market orientation variable. It aims to obtain varied research results.

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