

Market Orientation Contact, And Company Working

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Abstract

The study seeks to explain the research gap in the causal link between market orientation and business performance. To explain the discrepancy, the research focuses on the function of the corporate business environment's variable moderator, namely corporate competitive strategy and corporate entrepreneurship. The analytical unit for this research is a small business in West Java. In this research, 231 firms were identified, however only 111 answered to the survey. MRA analysis is used to investigate the role of corporate entrepreneurship in mediating the cultural causal link between market orientation and corporate performance. Corporate entrepreneurship strengthens the effect of a market-oriented culture on company performance. Market orientation has a bigger effect on business performance as corporate entrepreneurship increases. Subgroup analysis is used to investigate how a firm's competitive strategy modifies the link between orientation and company performance. The study's findings indicate that the impact of market oriented culture on firm performance varies depending on the competitive strategy.

Keywords: Market Orientation, Company Performance, Competitive Strategy, Corporate Entrepreneurship

Introduction

The transformation of the external environment in the free market is rapid. Companies have to anticipate these changes dynamically, that is, by establishing the correct business plans and honing their competitive advantages concurrently so that the firm survives even enhancing the company's performance.

A company's performance refers to the outcomes or accomplishments that it accomplishes during a certain time period. Improved performance would be seen positively by all stakeholders. Corporate performance may be measured across a variety of criteria. Many viewpoints on the parameters used to measure company success (Judge, 2020). Overall, it can be argued that the measuring of corporate success is observed from the financial and non-financial dimension. The company's success has become the essential to continuing to exist in the worldwide market. One of the variables that impacts a company's success is market focused. Market orientation resembles a successful and efficient organizational culture that leads the firm towards high-value generation activities for customers.

A market-oriented firm is a company that makes consumers and rivals the kiblata for the company to conduct its operations. Companies with a strong market orientation have repercussions for the high performance of the firm. This is because organizations with a High Market Orientation seek to give a better customer value than their rivals do. This high customer value has an influence on enhanced customer satisfaction that will eventually boost the company's success.

Regarding the link between market orientation and firm performance, there are two conflicting ideas. One side claimed that there was a strong correlation between market orientation and performance. (Hakin 2021). On the other hand, there is an empirical research that indicates that there is no association between market orientation and corporate success (Judge, 2022:) There is a gap between theoretical studies and empiric research, i.e. the presence of two sides of the viewpoint that examines the link between the direction of the market and the performance of the firm, which is intriguing for further investigation.

Review Literature

The Corporate Performance Measurement Dimension

The external environment in the free market is changing at an accelerated rate. Companies must anticipate these changes dynamically, that is, by developing the correct business strategies while sharpening their competitive advantages, so that the firm may survive and even improve its performance.

A company's performance refers to the outcomes or accomplishments that it accomplishes during a certain time period. Improved performance would be seen positively by all stakeholders. Corporate performance may be measured across a variety of criteria. Many viewpoints on the parameters used to measure company success (Judge, 2020). Overall, it can be argued that corporate success is measured using both financial and non-financial metrics. The company's success has become critical to its continued existence in the worldwide market.

One of the aspects influencing a company's success is market orientation. Market orientation resembles a successful and efficient organizational culture that steers the firm toward high-value generation activities for customers.

A market-oriented corporation is one that prioritizes consumers and rivals in order to manage its business. Companies with a strong market orientation have positive repercussions for their overall success. This is because businesses with a High Market Orientation try to give more consumer value than their rivals. This high customer value leads to higher customer happiness, which improves the company's overall success.

There are two different viewpoints on the link between market orientation and firm performance. One side claimed that there was a strong correlation between market orientation and performance. (Hakin 2021). On the other hand, there is an empirical research that shows that there is no association between market orientation and corporate success (Judge, 2022:). There is a gap between theoretical and empirical investigations, i.e. the presence of two perspectives on the link between market orientation and corporate performance, which is worth additional investigation.

Market orientation

Market orientation is the corporate culture that drives the market. The orientation may have four components: customer orientation, competitor orientation, and long-term orientation. (Hakim et al, 2020). The foundation of market orientation is market information. The term "market intelligence" refers to efforts to understand not only the market's preferences and needs, but also how those preferences and needs are influenced by exogenous factors such as government regulation, technology, competitors, and other environmental forces.

Companies with a strong market orientation prioritize the quality of their goods or services in relation to the customer's expectations/specifications. However, market orientation improves

product quality, which in turn influences the company's competitiveness and performance. (Hakim; 2020). Market orientation improves return on investment, market share, and new product success (Judge et al., 2022). The higher the market orientation, the more the product will be in line with the development of consumer needs and desires, and thus the new product offered will be well accepted by consumers, resulting in an increase in market share, which will increase the company's revenue.

Market orientation becomes an indicator of competitive advantage and firm success. The more the company is focused on the consumer, that is, paying attention to all of the needs and desires of consumers, as well as marketing strategies and activities carried out by competitors, the more the company will be able to create a product / service that can better satisfy the needs of the consumers than the competitor, making the product or service offered more competitive. This competitive edge will alter customer choices over the products/services supplied by the firm, thus to win In today's global market rivalry, market orientation is a critical component that must be constantly assessed and improved in the organization. company entrepreneurship will significantly improve company performance provided it is backed by easy access to finance and a dynamic environment. (Hakim. 2017).

Relationship Market Orientation, Peruvian Performance, and Corporate Entrepreneurship

There are several aspects that influence the quality of an organization. One of them is pointed toward the market. Market orientation is an effective and efficient organic culture that directs enterprises toward high-value generation activities for consumers. (Hakim 2022). A market-oriented corporation forgets that consumers and competition are the most important factors in making business decisions.

There are two opposing viewpoints on the market's orientation toward performance. One side claims that market orientation has a major beneficial impact on firm success (Kotler and Keller, 2022), however several research show that market orientations have little effect on corporate performance. (Hakim et al. 2003).

Based on the above description, the following hypothesis may be proposed: H1: The stronger the market orientation, the better the company's effectiveness in identifying, anticipating, and pursuing market opportunities. This model proposes that corporate characteristics influence the link between entrepreneurial attitude and corporate performance.

The continuously changing corporate environment in modern worldwide economic market increases the unpredictability of the firm, which will have an impact on its performance. High-market-oriented organizations are projected to increase their performance; nevertheless, the corporate environment will decide whether influence is strengthened or weakened. This study aims to investigate the influence of the company's surroundings.

The internal environment is centered on corporate competitive tactics and corporate entrepreneurship. Miles and Snow's competitive strategy outlines four basic business strategies: proactive, analyzer, reactive, and defender. Various techniques will result in various generations. High market orientation combined with a proactive approach will result in high company performance.

H2: The impact of market orientation on company will vary among competing strategies. The research model framework that is organized on the basis of the hypothesis that has been defined can be seen in Figure 1.



Methods

Populations and Samples

The population in this research is a firm that meets the criteria for the small industry of excellence. The information was gathered from the firm directory database, which was accessed by the Department of Micro, Small, and Medium Enterprises and Cooperation in West Java Province. There are 1222 firms dispersed throughout 27 districts/cities. The collection included a broad sample of 231 firms. The research sample is determined using a region-based random proportional sampling approach.

The unit of analysis for this research is company . Market orientation factors, corporate entrepreneurship variations, corporate performance variables, and competitive strategy variables are all assessed according to the company manager's viewpoint. The research assumes that managers are corporate representatives who are well-versed in the firm's operations and have a broad perspective on their business, including an understanding of their rivals.

Results and Discussion

This research disseminated a total of 231 questionnaire sets. Questionnaires consist of 111 sets. The response rate in the study is 0.34%. The respondents or data sources in this study are all managers/directors from the ICT department chosen as a sample. Companies with more than one management utilize the average of all managers' answer ratings. Most samples contain just one manager (48.65%), with the majority of managers being company owners. Only 3.56% of businesses are professionally managed, meaning that each function in the company is handled by a distinct individual. In companies with four managers, firm owners who become managers hold the majority of senior management positions. Very few businesses have their own marketing managers.

Marketing duties in Peru are carried out by production managers and firm owners in teams of two or three. This suggests that enterprises that meet the requirements for ICT in West Java

have not been properly managed and need supply management, particularly marketing skills, in order to be ready for the global market.

According to the findings of data processing using MRA (moderately regression analysis), Hypothesis 1 indicates that the company's direction has a substantial impact on its performance. This is evident from the size of the significance level of 0.026, which remains lower than the desired significance rate of 0.05. Then, ICMs must develop a market-oriented culture by evaluating customer satisfaction and paying attention to rivals' actions. In other words, consumers and rivals are the catalysts for all of the company's improvements. This study's findings confirm the findings of Hakim et al. (2018), who found that market orientation power is a key aspect in establishing competitive advantage and market success.

The second hypothesis proposes that the interplay of market orientation and corporate entrepreneurship improves the causal association between market orientation and demonstrated firm success. This is evident from the size of the degree of significance, i.e. 0.042 is still less than the stipulated degree of significance, 0.05.

About the findings of de- ngan data processing utilizing the MRA,

Table 1 provides a framework for evaluating the hypothesis :

Table 1. Results of Moderate Regression Analysis

| Model | Standardized Coefficients | t | Sig |
|------------------------------|---------------------------|--------|-------|
| X1 | 0,257 | 5,813 | 0,026 |
| Z1 | 0,565 | 10,834 | 0,042 |
| X1*Z1 | 0,058 | 1,301 | 0,013 |
| R : 0,341 | F test : | 5,571 | |
| R² : 0,184 | Sig : | 0,047 | |

Source: Processed Data

Conclusion

The market orientation has a substantial impact on the success of IKM businesses in West Java. The company's performance improves with its increased orientation. These findings confirm the judge's (2012) conclusion that market orientation influences a company's success.

Corporate entrepreneurship and competitive tactics may explain why there is a research gap between market orientation and firm success. Differences in the findings of such research may occur due to competing tactics of various organizations. Strategy prospectors, as opposed to straight analysts and strategy defenders, have the most effect in setting the market's causal orientation to the company's success. The findings of this research also indicate that the majority of ICTs in West Java use defender techniques. Implementing the prospector approach will maximize the impact of market orientation on the company's success. Thus, increased corporate entrepreneurship will amplify the impact of market orientation on firm success. Companies with a strong interest in their customers and rivals will improve their corporate performance if they implement a large number of new innovations that provide value to their customers and are willing to bear the risk of the choices made as a result of these innovations. The limitations of this study stem from the fact that data was collected using two approaches at the same time: long-term interviews and letter. (by post or electronic message). This would have an influence on skewed data outputs, hence future study should adopt consistent data gathering techniques.

The number of firms tested on each subgroup in this research differed significantly, particularly in the defensor group, which had about twice the number of companies tested as the other group, which might have an impact on the outcomes.

Future research is likely to utilize strategic measures to compete with interval data, hence strengthening the findings of this study.

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