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The Effect Of Entrepreneurial Marketing And Competitive Advantage On Marketing Performance

Syarif Hidayatullah, Achmad Firdiansjah, Ryan Gerry Patalo, Abdul Waris

Abstract: Tourism sector is currently a superior business. A lot of people need entertainment to satisfy or make themselves happy and to spend free time. Many countries in the world depend on the tourism industry as a source of income, no exception in Indonesia. Likewise, Batu City is currently launching tourism for international market. In its development, many investors are interested in managing tourism spots in Batu City, one of which is Jatim Park Group which has many interesting places and tourist attractions. In this case, in managing and attracting tourists, an entrepreneurial marketing spirit is needed to create competitive advantage with tourist attractions in Batu City. This study aims to determine the direct and indirect effects of entrepreneurial marketing on marketing performance through competitive advantage. The samples in this study were 93 tourism management people under the Jatim park group determined by using a sampling method of questionnaires and interviews. The results of the research show that entrepreneurial marketing has an effect on marketing performance because of the role of competitive advantage as a mediator of marketing performance. This indicates that there is a very close relationship among the variables studied.

Index Terms: Tourism, Entrepreneurial marketing, competitive advantage, Marketing performance.

1. INTRODUCTION

Tourism sector is currently being a superior business. A lot of people need entertainment to satisfy or make themselves happy and to spend free time. Many countries in the world depend on the tourism industry as a source of income, no exception in Indonesia. Tourism is everything related to various kinds of tourism activities, and is supported by services provided and various facilities on the community, businessmen, local government and government (Law No. 10/2009 on Tourism). Attracting tourists to review and recommend the tourism places to the others is another important goal for building the success and development of tourism destinations [1]. In this modern era, investors will not hesitate to come and invest in areas that have the potential to develop their tourism sector.

In Batu City - East Java, the regional government cares about the development of the tourism industry by improving and adding facilities and services in the existing tourist attractions. In this case, they cooperate with entrepreneurs in the tourism industry to add new tourism objects in Batu City. Supported by a cool area, since it is in the highlands and surrounded by mountains that gives natural nuance, it will attract more tourists to visit Batu City. There are a lot of tourist destinations in Batu City, such as playgrounds, night tours, culinary tours, nature tours, baths, and educational tours in Batu City. For developers or entrepreneurs in the tourism industry itself, it is not easy to maintain the best performances in this industry. The competition in the tourism industry is so tight, in which technological developments and changes in tourist tastes can cause tourists to move from one tourist attraction to another tourist attraction. In this case, the company must have the ability to develop a choice of strategies in order to adapt to a dynamic environment. Basically, every tourist site that

competes with an industrial environment has a desire to be better compared its competitors. Thought to create a competitive strategy can be started from how a business will be developed, what is actually the company's goals, and what policies are needed to achieve these goals. Porter (1997) explained that competitive advantage is the ability, assets, and skills, as well as everything that allows companies to be able to compete effectively in the industry. Competitive advantage can come from a variety of activities carried out by companies in designing, producing, marketing and send, and support the products they have. Each activity carried out can support the relative cost position of the company and create differentiated companies. Tourists generally prefer attractions that have more values than what is wanted or expected. However, the value will also be compared to the price offered. The purchase of tourism industry products will occur if the customer considers the product price represents the value offered. Jatim Park Group is one of the tourism industry developers in Batu City. There are several tourist attractions that have been built by Jatim Park Group and become favorite places to be visited by tourists. It is not easy for investors to make their tourism objects become one of the favorite destinations for visitors; in this case, the management must have special skills to run the business. Therefore, entrepreneurial management is necessary to be applied in the company not only in small or medium scale businesses but also in large scale businesses. Being able to organize, manage and dare to bear the risk of creating a new business and being able to take advantage of opportunities is the nature of the entrepreneurship possessed by entrepreneurs. Referring to the aforementioned background, this research aims to discuss the effect of entrepreneurial marketing on marketing performance through competitive advantage. As for this study, the title chosen is: Improving Marketing Performance Through Entrepreneurial Marketing and Competitive Advantage in Tourism Services in Batu City. Therefore, this study has specific objectives as follows; 1) to describe entrepreneurial marketing, competitive advantage, and marketing performance, 2) to analyze the effect of entrepreneurial marketing on company marketing performance, 3) to analyze the effect of entrepreneurial marketing on corporate competitive advantage, 4) to analyze

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the effect of competitive advantage on company marketing performance, and 5) to analyze the effect of entrepreneurial marketing on marketing performance through competitive advantage.

2 LITERATURE REVIEW

2.1 Entrepreneurial Marketing

Entrepreneurial marketing is a function in the organization and is a series of processes in creating and communicating and providing value to customers to manage customer relationships in the most beneficial way for an organization and stakeholders, and that is proven by innovation and risk taking, proactivity, and possibly without resources when this is controlled [3]. Entrepreneurial marketing as a series of processes of creating, communicating and providing value, guided by efficacious logic and used in a highly uncertain business environment [4]. Among the dimensions of entrepreneurial marketing, Jones & Rowley (2011) state that there are seven dimensions, namely opportunity-driven, proactiveness, innovation-focused, customer intensity, risk taking, resource leveraging and value creation. These dimensions are supported by the results of research by Morrish, Miles, & Deacon (2010). [7] state that there are four dimensions of entrepreneurial marketing, namely opportunity creation, customer intimacy-based innovative products, resource enhancement, and legitimacy. From the two opinions mentioned above, entrepreneurial marketing dimensions are the focus of opportunity, proactiveness, customer intensity, risk taking, resource leveraging, value creation, and innovation.

2.2 Competitive Advantage

Nowadays, it is increasingly believed that an important key in winning competition is providing more value and satisfaction to the company's customers through standardized products and providing quality services at competitive prices. [8]. To design market offerings that deliver more value than competitors who try to win the same market, companies must understand customers and develop strong relationships with customers. The offer is also called competitive advantage [9], where companies have an edge over competitors that are obtained by offering greater value to consumers than competitors offer. Companies must understand competitors and the character of customers through a situation analysis to achieve maximum competitive advantage. Lancaster, Massingham, Lancaster, & Massingham (2018) state that competitive advantage is an advantage gained through the application of competitive strategies that aim to establish a favorable and sustainable position towards market forces that determine industrial competition. The company's goal is to meet consumer expectations better than its competitors. [11] state that companies with services that are below consumer expectations clearly experience competitive losses, where consumers will switch and look for other alternatives. If the company wants to get a competitive advantage, the company must be above the expectations of consumers. Good service can increase consumer loyalty to the point where consumers will survive and not look at alternative options from other companies.

2.3 Marketing Performance

In general, marketing performance is a form of achievement measures that can be obtained from an overall activity of the company, especially in the field of marketing within a company or organization. In addition, marketing performance can also be seen as a finished concept used by the company in measuring the extent to which achievements and target markets have been achieved by the products produced by the company. Morgan (2012) which states that marketing performance is a factor that is often used to be able to measure the impact of the success of the strategies that have been implemented by the company. The company's strategy can be directed to produce a better marketing performance (such as sales volume and the level of sales growth made by the company) and good financial performance. Furthermore, Morgan also stated that there are three main values of good marketing performance, such as a). Sales value, growth b). sales, and c). market share. It also explained that the company's sales growth will depend on the number of overall customers who already know a constant average level of consumption in purchases. The sales value shows how many rupiahs or units of product the company has sold to consumers or customers. The higher the sales value indicates the more products that are sold by the company. Meanwhile, market position shows how much the contribution of a product that is owned can dominate the market for similar types of products compared to those owned by competitors. There are several indicators that can be used in assessing marketing performance such as sales volume and customer growth, and profitability [13]. The amount of sales in a company's product can be represented by the volume value of a product. In addition, sales growth in a company can be seen from the level of growth in the company's existing customers. Empowerment of company resources is the amount of profits derived by the company. [14].

3 RESEARCH CONCEPT

The performance of marketing is a factor that is often used to determine the impact of the strategy determined by the company as the achievement of mastering the product market, where each company has an interest in knowing the market performance of its products [15]. In today's modern market, companies must also have the advantage to compete with competitors. [16] conducted a study entitled "The Effect of Entrepreneurship Orientation Variables on Marketing Performance with Competitive Advantage as a mediator variable". The results showed that entrepreneurial orientation had a positive and significant effect on marketing performance with competitive advantage as a mediator variable. The other results obtained were that competitive advantage had a significant effect on marketing performance. [17].

4 RESEARCH METHODS

This research focuses on the study of marketing in the tourism sector, especially those related to entrepreneurial marketing that influence which influences competitive advantage as a mediator and the company's marketing performance. This research was conducted in 6 (six) tourist objects or destinations owned by Jatim Park Group located in Batu City, East Java. The data collection technique used in this study is a questionnaire by giving a number of structured written statements to the research respondents related to their responses to the various variables studied in this study.

In this study the sampling technique used was that researchers used census research to take the overall sample of the study (population and sample). The population in this study amounted to 93 consisting of leaders, marketing managers, supervisors and marketing staff in six locations in the Jatim Park Group, Batu, East Java, Indonesia. The variables, indicators and questions in this study as in Table 1.

TABLE 1
VARIABLES, INDICATORS AND ITEMS OF THE RESEARCH STATEMENT

Variable – Indicator	Statement Item
Entrepreneurial Marketing (X)	
Opportunity Focus (X _{1,1})	Meet the desires of consumers
	Knowing market demand information
Proactiveness (X _{1,2})	Look for ways to make things happen
	Anticipate problems and create opportunities
Customer Intensity (X _{1,3})	Providing extra services
	Provide new information to customers
Risk Taking (X _{1,4})	Analyzing environmental conditions
	Predict and prevent risks
Resource Leveraging (X _{1,5})	Use technology assistance and experts to achieve goals
	Positioning employees with multiple positions
Value Creation (X _{1,6})	Use social media for advertising messages
	Meet the needs of visitors
Innovation (X _{1,7})	Changes in design and development of services
	Use of methods and information in work mechanisms
Competitive Advantage (Y₁)	
Price (Y _{1,1})	Affordable prices
	Use of discounts or discounts
Quality (Y _{1,2})	Giving guarantee Security and comfort of the products offered
	Offering high quality products than its competitors
Differentiation (Y _{1,3})	The products produced have special characteristics that cannot be imitated by competitors
	Use of modern technology in activity activities
Marketing Performance (Y₂)	
Sales Volume (Y _{2,1})	Souvenir sales increase every year
	The growth in entrance ticket sales has increased
Customer Growth (Y _{2,2})	The number of visitors increases every week
	Visitors are not only from Malang but also from outside Malang
Achievement of profit (Y _{2,3})	Achievement of corporate profits that continues to increase
	The profit generated by the company exceeds the existing target

Meanwhile, the data analysis techniques used are 1). Descriptive Statistics Analysis, 2). Path Analysis, 3). Test of Classical Assumptions, and 4). Test the Hypothesis.

5 RESULT

Based on the results of the analysis that has been carried out using SPSS Ver 21, the equation of the causal relationship between entrepreneurial marketing (X) and competitive advantage (Y1) can be drawn up on marketing performance (Y2) as follows:

TABLE 2
REGRESSION RESULTS OF ENTREPRENEURIAL MARKETING (X) AND COMPETITIVE ADVANTAGE (Y1) WITH MARKETING PERFORMANCE (Y2)

Independent variable	B	Beta	T _{count}	Sig
Entrepreneurial marketing	0,102	0,191	3,356	0,001
Competitive Advantage	0,742	0,776	13,638	0,000
Constants	1,486			
Dependent variable Marketing Performance (Y2)				
R	0,910			
R ²	0,828			
R ² Adjusted	0,824			
F _{hitung}	216,602			
Probability	0,000			
Line Equation : Y2 = 0,191 X + 0,776Y1 + ε ²				

TABLE 3
REGRESSION RESULTS OF ENTREPRENEURIAL MARKETING (X) WITH COMPETITIVE ADVANTAGE (Y1)

Independent variable	B	Beta	T _{count}	Sig
Entrepreneurial Marketing	0,359	0,640	7,943	0,000
Constants	5,657			
Dependent variable Competitive advantage (Y1)				
R	0,640			
R ²	0,409			
R ² adjusted	0,403			
F _{hitung}	63,094			
Probability	0,000			
Line Equation : Y1= 0,639X + ε ¹				

As the model test described in the previous section, the path of the causal relationship between variables with one another was then reconstructed. The path construction obtained from the analysis results are as follows:

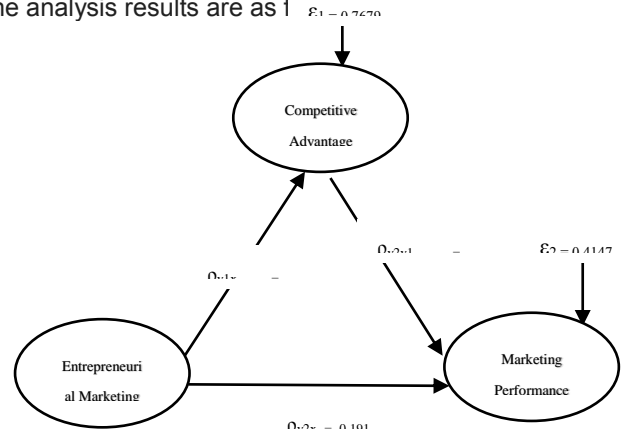


Figure 1: Path Analysis Model

Based on the statistical decomposition obtained as shown in the figure above, each path is significant so that the empirical decomposition model obtained is the same as the statistical decomposition. Figure 1 shows the direct and indirect effects of each variable on marketing performance. From the comparison of the direct and indirect effects of the existing

paths by multiplying the path coefficients on each of the paths formed, the highest multiplication value is the best path that can be used, while the magnitude of direct and indirect effects can be calculated as follows:

1. Direct influence of entrepreneurial marketing (X) on marketing performance (Y2) with path coefficients $py2x = 0.191X$
2. Indirect influence of entrepreneurial marketing (X) on marketing performance (Y2) through competitive advantage (Y1) with path coefficients $py1x \times py2y1 = 0.640 \times 0.776 = 0.497$

TABLE 4
DIRECT, INDIRECT, EFFECTS AND TOTAL INFLUENCE

Variable	Direct Effects		Indirect Effects	Total Effects
	Y1	Y2		
X	0,640	0,191	0,497	0.688
Y1		0,776		

Based on the test of direct and indirect influence as can be seen in previous table, it can be seen that entrepreneurial marketing (X) has a direct effect on marketing performance (Y2) with a beta coefficient of 0.191. While the indirect influence of entrepreneurial marketing (X) on marketing performance (Y2) through competitive advantage (Y1) is equal to 0.497. With entrepreneurial marketing, it has a greater indirect effect, namely through the formation of competitive advantages over marketing performance rather than direct influence. The results of the analysis indicate that the hypothesis (H4) which states that entrepreneurial marketing has a positive and significant effect on marketing performance through competitive advantage.

6 DISCUSSION

Entrepreneurial marketing is formed from opportunity focus, proactive, customer intensity, risk taking, increased resources, value creation, and innovation. The main contribution to the formation of entrepreneurial marketing is proactiveness. It is reflected in the East Java Park Group which always look for ways to make the vision and mission be carried out and always anticipate problems and can create opportunities for existing problems. Competitive advantage is formed by price, quality, and differentiation. The main contribution of competitive advantage is the quality reflected in the products offered to visitors to have better quality compared to its competitors and is able to guarantee the safety and comfort of the products offered by the company. Marketing performance is formed from sales volume and customer growth, and profitability. The main contribution of visiting interest is the sales volume, which is reflected in the growth of incoming ticket sales for every tourist object that has always increased [18]. The results of analysis show that entrepreneurial marketing in the East Java Park Group company turns out to be a variable that has a positive and significant effect on competitive advantage, meaning that the greater entrepreneurial marketing in the East Java Park Group will lead to greater competitive advantage. This study supports previous research conducted by [19] stating that entrepreneurial marketing relations affect competitive advantage. Entrepreneurial Marketing has a process or function such as creating, communicating, and providing value to customers and how to manage good relationships with customers that benefit the organization or company, which is

characterized by continuous innovation, measured risk taking, and proactivity in action. Through competitive advantage as mediation variable, the expectations and goals of the company are to meet consumer expectations better than its competitors. It can be seen by determining the price offered, the quality provided, and having distinctive characteristics that are very special compared to competitors, having more value in the minds of consumers or visitors. The performance of a marketing is also a factor that can be used to measure the impact of a strategy that is defined as the achievement of a product market by a company, where each company has an interest in knowing the market performance of the products it produces.

6 CONCLUSION

Entrepreneurial marketing is formed from opportunity focus, proactive activities, customer intensity, risk taking, increased resources owned, the creation of added value companies, and continuous innovation. The main contribution to the formation of entrepreneurial marketing is proactiveness as reflected in the East Java Park Group which always look for ways to make the vision and mission be carried out and always anticipate problems and can create opportunities for existing problems. Competitive advantage is formed by price, quality, and differentiation. The main contribution of competitive advantage is the quality reflected in East Java, which is able to guarantee the safety and comfort of its products and offer more quality products from its competitors. Marketing performance is formed from volume of product sales, growth in customer purchases, and company profitability. The main contribution of marketing performance is the sales volume reflected in the sales turnover increasing every year and the growth in sales of entrance tickets sold by the East Java Park Group.

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