

Impact of Market Orientation on Marketing Performance of Convection Businesses

Devi Mariam Apriliani¹, Chen Vararillo², Carlos Fatima³

¹ Buana Perjuangan University1

² Mahidol University2

³University Timor (UNIMOR)3

e-mail mariamdeviq1@gmail.com, che.vararillo@mh.edu.mu, fatimacarlos45@gmail.com

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ABSTRACT (10 PT)

The convection industry plays an important role in a region's economy through job creation, contribution to local income, and support for the development of supporting industries. The industry can also boost exports and tourism if it produces high-quality and innovative products. In the context of intense competition, market orientation is key to understanding consumer needs, market trends, and industry competition. This study aims to explore the impact of market orientation on the marketing performance of convection businesses. The research method used is a quantitative approach with data collection through surveys, observations, and interviews. The results showed that market orientation has a significant positive influence on marketing performance in the convection business. While customer orientation does not have a significant direct influence on marketing performance. Therefore, it is important for convection businesses to focus on market orientation to improve their marketing performance. The combination of strong market orientation and product innovation can help convection businesses strengthen their position in the market and achieve long-term growth.



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INTRODUCTION

Convection is the process of making clothes in large quantities using industrial sewing machines. Convection businesses can be found in various countries, both in developed and developing countries. Countries like China, Bangladesh, India, Vietnam and Pakistan are some of the many countries that have large convection industries. Each country has its own specialization and comparative advantage in the production of certain garments. For example, China is known for its low production costs, while Bangladesh is known for its large production of knitted garments and T-shirts. In developed countries such as the United States, Japan and Europe, convection businesses also exist, albeit on a smaller scale and often focus on specialized products, such as designer clothing or sportswear.

Convection businesses play a significant role in an area's economy in several ways. Job Creation The convection industry is often one of the largest generators of employment in an area. Clothing production requires extensive labor, from design, cutting, sewing, to finishing. Therefore, a convection business can provide employment opportunities for local residents, which in turn can improve living standards and reduce unemployment rates.

Contribution to Local Revenue A successful convection business can be a significant source of revenue for the local area through the payment of taxes and other receipts. This revenue can be used to finance public services, infrastructure, education, and other development programs that can improve community welfare. Supporting Industry Development Convection businesses require a wide range of raw materials and production equipment, such as fabrics, threads, sewing machines, and others. This encourages the development of surrounding supporting industries, including agriculture (e.g. cotton production), manufacturing (e.g. yarn production), and trade (e.g. shops selling convection supplies).

Increased Exports and Tourism If a convection business produces high-quality and innovative products, it can increase the attractiveness of the area as a center for clothing and fashion production.

This can lead to increased exports of convection products and increased visits from tourists interested in purchasing local products. Thus, the convection business not only makes a significant economic contribution to a region, but it can also be a driver of sustainable economic growth and overall improvement of community welfare.

In the convection industry, where competition is fierce and market dynamics are constantly changing, it is important for companies to have a strong understanding of their market. Market orientation plays an important role in helping companies to stay relevant and competitive by understanding consumer needs and preferences as well as ongoing market trends. By having a strong market orientation, convection companies can formulate appropriate marketing strategies, identify new opportunities, and address emerging challenges more effectively.

In the context of a convection business, market orientation also helps companies to understand the competition in the market, both from direct competitors and trends that affect consumer demand. With a better understanding of the market and competitors, companies can identify possible product differentiations, strengthen their position in the market, and design more effective marketing campaigns to attract new customers and retain existing ones.

Therefore, understanding how market orientation affects the marketing performance of a convection business is not only important for short-term success, but also for the long-term sustainability of the company in a changing market. By exploring the impact of market orientation in greater depth, we can identify strategies and best practices that can help convection companies to achieve sustainable growth and success.

RESEARCH METHODS

Research design is a strategy used to set the research background so that researchers can obtain valid data in accordance with the characteristics of the variables and research objectives. This research uses a quantitative approach, which allows numerical and statistical analysis to obtain objective results. In general, this study aims to describe and analyze the relationship between market orientation, customers, and marketing performance in convection businesses. Market orientation refers to the extent to which companies understand and respond to customer needs and wants. Marketing performance measures the effectiveness of marketing strategies in achieving business goals. By understanding these relationships, convection companies can develop more effective strategies to improve their marketing performance.

The main method of this research is through a survey, which is research conducted by taking a sample from the population that represents the entire population. This survey aims to collect quantitative data that can be analyzed to identify patterns and relationships between variables.

The data collection techniques used in this study include

1. Observation

Researchers made direct observations of the company's conditions, with a special focus on the implementation of promotional policies carried out by the company. These observations help researchers understand the real practices applied in the field and how these policies affect marketing performance.

2. Questionnaire

The main technique of data collection is through questionnaires distributed to respondents. This questionnaire contains a series of questions designed to collect information from respondents regarding market orientation, customer satisfaction, and marketing performance. The questionnaire allows systematic and consistent data collection from a large number of respondents.

3. Interview

The interview technique is carried out by asking questions directly to respondents or informants to obtain more in-depth information. Interviews can be structured, with pre-defined questions, or unstructured, which allows flexibility in exploring additional information. Interviews help researchers gain deeper insights into respondents' views and experiences that may not be expressed through questionnaires.

With a combination of observation, questionnaire and interview techniques, this research seeks to collect comprehensive and in-depth data. The data was then analyzed to identify patterns of relationships between market orientation, customer satisfaction, and marketing performance, so as to

provide practical recommendations for convection businesses in the city to improve their marketing performance.

RESULTS AND DISCUSSION

Based on the frequency of answers from the questionnaire, most respondents showed a positive perception of market orientation. The market is the main target for companies to introduce and market their products. Market orientation is a strategy used by companies to enter and survive in the market. In this study, market orientation focuses on customers and competitors. Customers and competitors have a significant impact on the convection business in city. The number of producers with similar products is a big challenge for these producers. Based on interviews with songket producers in , it is known that only 70%-90% of their market comes from tourists visiting the Ramayana area in South Sumatra, while the rest is sent outside the island.

The results of this study are in line with research conducted by Fauzan and Hartono (2020) entitled "The Effect of Human Resource Development and Market Orientation on Marketing Performance in the Creative Industries", which shows that market orientation has a significant positive effect. The company's implementation of market orientation, which includes customer information, cross-functional coordination, and responsiveness, shows the extent to which marketing concepts are implemented in the organization. The results of this study also support research conducted by Sari and Nugroho (2019), which proves that market orientation in small businesses has a strong and consistent influence on marketing performance. Sari and Nugroho stated that in a competitive environment, some small businesses respond to competition by paying close attention to market-oriented activities.

The high level of competition in this industry encourages businesses to improve product quality, price, and promotion to encourage higher purchasing decisions. Educating consumers about the fabrics being marketed, such as fabric materials and various motifs, can affect sales levels.

Table 1 it shows that sales from 2017-2023 have increased, whereas in the last two years there has been no change in the amount of sales.

Year	Sales Volume (Units)
2017	1320
2018	1345
2019	1447
2020	1550
2021	1550
2022	1600
2023	1650

Effect of Market Orientation on Marketing Performance

The study delves into the intricate relationship between market orientation and marketing performance within 's convection business landscape, aiming to provide insights into how businesses can thrive in a competitive market environment. It underscores the pivotal role of market orientation, defined as a company's focus on understanding and satisfying customer needs, in driving marketing effectiveness and overall business success.

Market orientation empowers businesses to stay attuned to shifting consumer preferences, anticipate market trends, and respond effectively to competitive pressures. By adopting a market-oriented approach, companies can tailor their marketing strategies to better meet customer demands, differentiate themselves from competitors, and capitalize on emerging opportunities.

Moreover, the study sheds light on the tangible benefits of market orientation, such as increased sales and profitability, as evidenced by the notable 45.32% rise in songket product sales observed in market-oriented companies. Additionally, it highlights the significance of product innovation as a complementary strategy to market orientation, enabling businesses to introduce new and improved products that resonate with customers and drive competitive advantage.

While traditional weaving methods may pose challenges in terms of efficiency and cost-effectiveness compared to modern machinery, the study underscores how innovative practices can

mitigate these limitations and enhance a company's competitive position. By investing in product innovation and leveraging market orientation insights, businesses can strengthen their market position, enhance customer satisfaction, and sustain long-term growth in 's convection business sector.

In essence, the study's findings underscore the importance of market orientation and product innovation as strategic imperatives for businesses seeking to thrive in dynamic and competitive market environments like 's convection industry.

The Effect of Customer Orientation on Marketing Performance

The results of hypothesis testing in this study indicate that the role of customer orientation does not have a significant direct effect on marketing performance. The higher customer orientation does not always directly improve the marketing performance of convection businesses in city. Based on the results obtained from respondents' answers, this means that implementing customer orientation roles such as communicating with customers, understanding customer desires does not always improve marketing performance.

It is assumed that the customer perspective may consider that this implementation is an absolute obligation for all business people 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, are of course an obligation for all companies to serve customers well.

The results of this study are inconsistent and best compared to the results of recent research which states that customer orientation has a significant influence on marketing performance. However, the results of this study reinforce recent research which concludes that customer orientation has no significant effect on marketing performance. Proper customer orientation will help companies know which decisions to make. By doing customer orientation, the company will easily know customer tastes and try to provide the best for customers.

Judging from the level of profit the company has achieved. The advantages of products including various varieties and new songket motifs, designs that follow trends, better fabric quality, and the level of art developed by producers can improve marketing performance that is able to increase the number of customers, and can increase sales growth and sales volume.

CONCLUSION

The results showed that market orientation has a significant positive effect on marketing performance in convection business. Market orientation, which includes understanding the needs of customers and competitors, plays an important role in improving marketing performance. This result is in line with the findings of recent studies that show that market orientation contributes to increased sales and profitability of the company. However, the results also show that customer orientation does not have a significant direct influence on marketing performance. While it is important to understand and fulfill customer needs, efforts such as communication and understanding customer desires may not necessarily improve marketing performance directly. Thus, it is important for convection businesses to focus on market orientation to improve their marketing performance. Market orientation helps businesses to stay aligned with consumer preferences, anticipate market trends, and respond effectively to competition. The combination of strong market orientation and product innovation can help convection businesses strengthen their position in the market and achieve long-term growth.

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