

15% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

Filtered from the Report

- Bibliography
- Quoted Text
- Cited Text

Exclusions

4 Excluded Sources

Match Groups

73 Not Cited or Quoted 15%

Matches with neither in-text citation nor quotation marks

0 Missing Quotations 0%

Matches that are still very similar to source material

0 Missing Citation 0%

Matches that have quotation marks, but no in-text citation

• 0 Cited and Quoted 0%

Matches with in-text citation present, but no quotation marks

Top Sources

12% Internet sources

1 Publications

Submitted works (Student Papers)

Integrity Flags

0 Integrity Flags for Review

No suspicious text manipulations found.

Our system's algorithms look deeply at a document for any inconsistencies that would set it apart from a normal submission. If we notice something strange, we flag it for you to review.

A Flag is not necessarily an indicator of a problem. However, we'd recommend you focus your attention there for further review.





Match Groups

73 Not Cited or Quoted 15%

Matches with neither in-text citation nor quotation marks

91 0 Missing Quotations 0%

Matches that are still very similar to source material

0 Missing Citation 0%

Matches that have quotation marks, but no in-text citation

• 0 Cited and Quoted 0%

Matches with in-text citation present, but no quotation marks

Top Sources

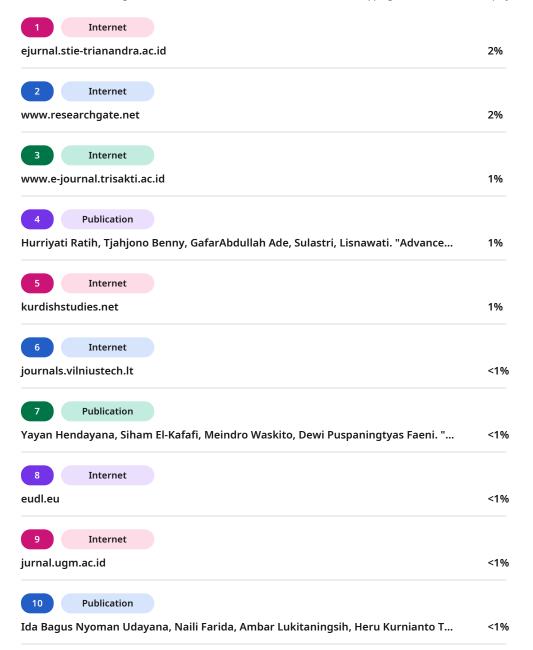
12% 🌐 Internet sources

9% 🔳 Publications

4% Land Submitted works (Student Papers)

Top Sources

The sources with the highest number of matches within the submission. Overlapping sources will not be displayed.







11 Internet	
repository.umy.ac.id	<1%
12 Publication	
Andi Kushermanto, Abdul Rohman. "Strategic company sustainability: optimize f	ï <1%
13 Internet	
digitalcommons.lsu.edu	<1%
14 Internet	
digi-journalphils.com	<1%
15 Internet	
www.igi-global.com	<1%
16 Publication	
Jongkun Jun, Thaemin Lee, Cheol Park. "The mediating role of innovativeness and	d <1%
17 Internet	
trijurnal.trisakti.ac.id	<1%
18 Publication	
Katherine M. Hertlein. "The Routledge International Handbook of Couple and Fa.	<1%
19 Internet	
bmcpublichealth.biomedcentral.com	<1%
20 Internet	
ejournal.ipinternasional.com	<1%
21 Student papers	
Adamson University	<1%
22 Student papers	
University of Sarajevo	<1%
23 Internet	
admin.calitatea.ro	<1%
24 Internet	
scholarworks.waldenu.edu	<1%





25	Internet		
www.ind	erscienceonline.	com	<1%
26	Internet		
hdl.hand	le.net		<1%
27	Internet		
journal.n	naranatha.edu		<1%
28	Internet		
link.sprir	nger.com		<1%
29	Publication		
I Imronu	din, Jati Waskito	, Ikeke Bunga Cantika, Gramitha Sofiardhani. "THE EFFE	<1%
30	Publication		
Koktows	ki, Krysten A "S	ocial Network Site Use and Body Image among Adolesce	<1%
31	Publication		
Mark W.	Johnston, Greg \	N. Marshall, Jessica L. Ogilvie. "Contemporary Selling - B	<1%
32	Internet		
libweb.k	pfu.ru		<1%
33	Internet		
ufdcimag	ges.uflib.ufl.edu		<1%
34	Internet		
www.ijre	s.net		<1%



Jurnal Manajemen dan Pemasaran Jasa Vol. 16 No.2 September 2023: 163-176 Doi: http://dx.doi.org/10.25105/jmpj.v16i2.16748

ISSN 2442 - 9732 (Online) ISSN 0216 - 3780 (Print)

Customer response power capability to enhance marketing performance in Micro, Small and Medium Enterprises (MSME)

Ambar Lukitaningsih*1, Ida Bagus Nyoman Udayana1, Syamsul Hadi1, Anis Marjukah2, Laurensia Aptik Evanjeli3

¹Faculty of Economics, Universitas Sarjanawiyata Tamansiswa

²Management, Universitas Widya Dharma

³PGSD, Universitas Sanata Dharma

*ambar.ita@ustjogja.ac.id

Abstract

Micro, Small, and Medium Enterprises (MSME) are of importance in the success and growth of Indonesia's national economy. These enterprises form the backbone of the workforce and their marketing performance is a key indicator of progress. However, studies by marketing experts indicate a disagreement between the outcome of market sensing capability and marketing performance. Based on several reports, a sales team that can see the market ahead of time impacts marketing personnel's performance. In contrast, other marketing experts discovered that market sensing quality does not hold such influence. Therefore, this study aimed to resolve the controversy surrounding the investigation by proposing a new concept, such as customer response quality, using a theoretical model. The participants included were 259 MSME actors in Yogyakarta, selected through purposive sampling. Furthermore, questionnaire, data were collected and analyzed using SEM. The results showed that customer orientation, learning orientation, and market sensing quality significantly and positively affected customer response quality. Among these, learning orientation has the most considerable influence. The novelty of this study is that customer response power capability had a significant positive effect on marketing performance. Meanwhile, customer orientation, learning orientation, and market sensing quality had no direct impact, therefore, it was recommended that MSME should focus on the company's ability to sense market quality, customer orientation, and learning orientation to respond to customers, and subsequently increase marketing performance.

Keywords: Customer response power capability; Customer orientation; Learning orientation; Market sensing quality; Marketing performance.

JEL: M31, L26, L22, B55, C12

Article history: Submission date: Feb 5, 2023 Revised date: May 20, 2023. Accepted date: Aug 28, 2023

INTRODUCTION

The success and growth of the national economy are determined by the role of Micro, Small, and Medium Enterprise (MSME). This is because MSMEs can absorb the majority of the workforce, ensuring feasibility in their development. The development can be promoted in numerous ways, as evidenced by the increasing annual growth rate, as shown in Table 1.



Table 1 The Development of MSME and Sales Performance

No.	Year	Number of	Number of Sales	Number of Sales
		Company	Force	(000 Rupiah)
1	2012	340	35 109	7392530128
2	2013	302	40 150	9716588177
3	2014	303	37 179	10173639210
4	2015	99	16 359	7370058949
5	2016	97	14 926	6524624026
6	2017	98	13 834	5646620442
7	2018	96	12 976	5752422623
8	2019	102	13 435	5665622244
9	2020	115	14 554	5832442332

Source: Statistics of Yogyakarta Municipality and Department of Industry, Trade, Cooperatives and MSME (Disperindagkop), Special Region Yogyakarta 2021.

Table 1 shows a decline in revenue over the years, with the exclusion of 2012 to 2014. This decreasing trend continued between 2015 to 2020, indicating severe issues in the effectiveness of the sales team. A significant contributing factor to this problem is the poor quality of human capital within MSMEs.

Several experts identified a gap in the investigation concerning the correlation between market sensing quality and marketing performance. Based on several reports, sales team who can obtain information from customers, interpret the information, and communicate effectively with customers have a significant positive impact on marketing performance (Kidwell et al., 2007; Singh & Das, 2013; Chirani & Matak, 2012; Chaker et al., 2016). Conversely, some reports discovered that obtaining and interpreting customer information did not affect marketing performance (Amyx et al., 2014; Bolander et al., 2015; Miao & Evans, 2013; Hadi et al., 2023; Hidayati et al., 2022; Udayana, 2022).

The study delves into a controversy surrounding investigations conducted by marketing experts on the relationship between market sensing quality and marketing performance. Its specific aim is to develop a theoretical model that resolves observed discrepancies in these results. The insights of this study have the potential to significantly enhance the knowledge and capabilities of companies in devising sales-boosting strategies. Diverging from prior reports, this study focuses on the unique context of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, while also examining consumer responses. This investigation holds importance for MSMEs, as it aims to increase and optimize the performance of their sales teams, consequently improving overall marketing performance. Based on the pivotal role that these companies play in Indonesia's national economic-growth, they can absorb a substantial workforce. The concept of "customer response power capability" represents a pioneering paradigm in marketing, grounded in the epistemological insights of resource-based, dynamic capability, and network theories. This innovative concept is poised to address the controversies that arose in previous investigations conducted by marketing experts, ultimately leading to increased sales. The study is closely in line with the strategic vision of the university, which places a strong emphasis on MSMEs as a focal point of study. The university has articulated a strategic mission centered on fortifying businesses and nurturing enterprises to propel these entities toward global expansion to ensure their long-term sustainability.



HYPOTHESIS DEVELOPMENT

Market sensing quality and marketing performance

A company that prioritizes building strong customer relationships fosters trust and commitment, leading to improved overall performance (Pesämaa et al., 2015). The level of a company's performance is intricately tied to the strength of its customer network. A high-quality customer network, along with cooperative relationships and the efficiency and accuracy of decision-makers, can markedly augment marketing performance. Engaging with members of social organizations and reference groups, in tandem with the support of a highly proficient sales team, exerts a substantial positive impact on organizational performance (Singh & Das, 2013; Wang et al., 2016). The adaptability of a salesperson can serve as a metric for assessing organizational performance.

Proficiency in customer interaction is a crucial skill for a salesperson to master. Meeting customer needs and desires holds significant importance (Wang et al., 2016). Additionally, the adaptability of a professional sales team in addressing customer concerns related to meeting consumer needs is imperative to support the company's consumer networks (Locander et al., 2020).

The company's ability to effectively gather pertinent information about customer complaints will directly impact marketing performance success (Liang et al., 2018). This information may pertain to product flaws, practicality, and utility, all of which contribute to enhancing the quality of future products. Consequently, practicality emerges as a key factor in determining customer satisfaction. Moreover, the utility of a product can greatly attract new customers and broaden market coverage, thereby enhancing overall marketing performance.

Proficiency in customer interaction is a crucial skill for a salesperson to master. Meeting customer needs and desires holds significant importance (Wang et al., 2016). Additionally, the adaptability of a professional sales team in addressing customer concerns related to meeting consumer needs is imperative to support the company's consumer networks (Locander et al., 2020). The company's ability to effectively gather pertinent information about customer complaints will directly impact marketing performance success (Liang et al., 2018). This information may pertain to product flaws, practicality, and utility, all of which contribute to enhancing the quality of future products. Consequently, practicality emerges as a key factor in determining customer satisfaction. Moreover, the utility of a product can greatly attract new customers and broaden market coverage, thereby enhancing overall marketing performance. The following was the proposed hypothesis:

H1: The greater the market sensing quality, the higher the marketing performance.

Market sensing quality and customer response quality

The ability of a marketing manager to accurately interpret information is of paramount importance, as it exerts a direct impact on marketing performance (Ferdinand & Wahyuningsih, 2018). This proficiency is cultivated through experience and the sharing of knowledge, underscoring the significance of these elements in achieving precise information interpretation. Consequently, knowledge sharing emerges as an exceedingly effective strategy for enhancing marketing performance (Ferreira et al., 2017). Fostering a culture of learning from the successes of others becomes imperative, facilitating innovation and further elevating marketing outcomes.

Recognizing the dynamic nature of customer behavior is imperative. Customer needs and preferences undergo continual evolution over time (Teece, 2014). Enhanced product quality endows customers with greater purchasing power. It falls within the purview of the company to supply and deliver high-quality products tailored to customer preferences. Quality, characterized by uniqueness, attractiveness, durability, prestige, and resistance to imitation, engenders customer satisfaction.



Page 8 of 19 - Integrity Submission

yor. 10 No. 2 September 20.

Consequently, products should be finely tuned to effectively meet customer requirements. The proposed hypothesis is as follows:

H2: The greater the market-sensing capability, the higher the quality of customer response.

Customer orientation and customer response quality

Employees recognize that establishing long-term partnerships hinges on mutually beneficial efforts. They conscientiously adhere to their responsibilities outlined in the job descriptions, thereby upholding the company's performance. As an institution, the company should exert efforts to optimize the potential of its employees and formulate effective communication strategies to nurture robust relationships (Zhang & Walton, 2017).

Locander et al. (2018) delved into the correlation between innovation and customer networks concerning sales force performance. Consequently, a discerning focus on market trends becomes imperative for the triumph of innovation. For instance, customers derive convenience from the practicality and reasonable pricing of a product (Fernando et al., 2016; Zhang & Walton, 2017). The leadership of the company plays a pivotal role in the success of innovation, enabling it to proactively adapt to shifts in the dynamic market landscape.

Sustaining innovation hinges on a thorough understanding of market trends, which constitutes an ongoing investment for the company (Dulger et al., 2016). Through continuous learning, the sales team enriches its knowledge base by scrutinizing evolving consumer preferences. Therefore, to enhance the quality of customer service, the company should anticipate future preferences and consistently glean insights from customer feedback. The following is the proposed hypothesis:

H3: The greater the ability of the company to be customer-oriented, the higher the response given to customers.

Customer orientation and marketing performance

The company's overarching strategy is sharply focused on the acquisition and retention of customers through diligent effort and the creation of substantial value (Cartera et al., 2014; Tawinunt et al., 2015). When innovation harmonizes with consumer value, it engenders customer satisfaction, ultimately culminating in repeat purchases. Consequently, the sales team must remain attuned to evolving customer preferences (Dikcius et al., 2019).

Staying abreast of market trends is greatly facilitated by a robust customer network. An expansive customer network fortifies market share (Abdul-Hafez & Al-Nady, 2016). A substantial market share, in turn, translates to increased sales, a testament to the efficacy of the sales force. Therefore, cultivating a robust customer network emerges as a potent strategy for enhancing sales performance. The imperative for the sales team to establish these networks yields mutual benefits for both the customer and the company (Vasić et al., 2019). A quality workforce exemplifies diligence and an unwavering commitment to surpass the organization's objectives. Offering innovative solutions to customer challenges holds the potential to amplify sales volume, expand market share, and augment company profits, thereby amplifying marketing effectiveness. The following is the hypothesis derived from the previous description:

H4: The greater the company's ability to be customer-oriented, the more marketing performance will improve.

Learning orientation and customer response quality

MSME actors should have specific skills to build relationships with customers. Understanding customer preferences can be achieved through effective collaboration (Vij & Farooq, 2015). This relationship-building allows the company to gather customer complaints and interests regarding purchased items, including data on product movements of rival brands that are readily available to the customer. This information serves as a foundation for enhancing current business innovation. Effective resource management is required by MSME actors to sustain innovation.



Managing human resources is essential for organizational success, and human resource empowerment needs to be a long-term investment (Bohmova & Pavlicek, 2015). Quality resources yield maximum performance, ensuring the longevity of the company. The allocation of resources based on skills and understanding of customer needs is integral in achieving the goal of the company. This includes choosing the best strategy, outlining detailed tactics, and setting explicit objectives. Efficient resource use is expected to enhance performance.

For a salesperson to succeed, continuous learning and adaptation from previous experiences are essential. Addressing customer problems promptly leads to heightened customer satisfaction (Hémar-Nicolas, 2019). Therefore, maintaining good relations should be a consistent priority. Maintaining positive relationships with customer requires constant attention to fulfilling their needs. Additionally, anticipating competition is key to preventing customers from quickly switching preferences. The proposed hypothesis follows the preceding description.

H5: The greater the company's ability to learn, the higher the ability of the salesperson to respond to customers.

Learning orientation and marketing performance

MSME believe in the necessity for ongoing innovation in the sales industry. Sales managers need to constantly and relentlessly innovate (Vij & Farooq, 2015). Therefore, MSME actors should invest in human resources to improve the quality and competence of the sales force. This is critical due to the constant evolution of customer behavior and preferences. Committing time to learning is essential for the survival of an organization, specifically in this dynamic environment, where new sales strategies are in line with the increasing purchasing power of customers (Savukoski et al., 2022). Furthermore, MSME actors learn from their mistakes and strive for continuous improvement. Regular enhancements are essential to maintain customer loyalty and increase sales.

The success of a Company is measured by its sales performance. The marketing performance of an organization is directly proportional to its general performance (Jae-Won & Seung-Bae, 2019). Expanding the marketing area is crucial to maintaining and improving sales performance. The broadened marketing area is supported by the quality of information and intensive interaction, which tends to increase the number of customers. A rise in customer numbers is closely related to increased product quality. Customer input, suggestions, and criticism are invaluable for refining product quality. Quality products, combined with exceptional services can lead to a satisfied customer, influencing repeat purchases and, consequently elevating marketing performance.

Many strategies can be implemented to compete effectively in the market, such as offering discounts at specific times by lowering the price of goods, increasing the prestige of a product, developing product variations, and innovating products. All of these endeavors have the potential to increase market share, subsequently improving marketing performance. The proposed hypothesis is based on the above description:

H6: The greater the company's ability to learn, the higher the marketing performance.

Customer response power capability and marketing performance

Customers who receive the desired product are naturally satisfied. This satisfaction has an enormous impact on the viability of the company. Additionally, positive aspects of a product can be freely communicated to coworkers or customers, serving as effective promotion that enhances marketing performance. Customers are more likely to trust recommendations from close friends or colleagues than advertisements in the media. A company should develop this pattern to maintain or increase market share and boost sales performance.



The sales performance can be also increased by attentively addressing customer opinions regarding products. Responding promptly to customer feedback is crucial, as response time is an essential indicator of customer satisfaction. As a result, the company can immediately improve its sales performance based on customer feedback. Given the dynamic nature of customer tastes and their preference for higher quality, the company should systematically structure its operations (Teece, 2014). Customer feedback can be used to improve product quality and meet expectations.

Marketing performance can be improved when a company pays attention to customer complaints (Jae-Won & Seung-Bae, 2019). Solutions to customer problems need to be provided, and resource allocation should support the goal of achieving peak marketing performance. The placement of a talented sales force is critical in expanding market coverage. When a company can match its sales team with customer demands, new customers will continue to be attracted. The following is the proposed hypothesis based on the above description:

H7: The greater the company's ability to respond to customers, the higher its marketing performance.

Based on the description and the relationships between the variables as mentioned earlier, Figure 1 represents the study model which showed the correlation between customer response power capability with customer orientation, learning orientation, and market sensing quality. These variables were further tested for their direct relationship with marketing performance which could also be moderated by customer response power capability.

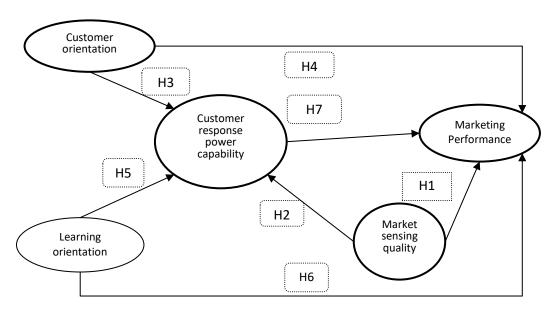


Figure 1
Study model based on the developed hypothesis

METHOD

Data were gathered in Yogyakarta, Indonesia between July and June of 2022. To ensure reliability and validity, the questionnaire was subjected to several trials. The respondents were randomly (Ferdinand, 2014) based on the criteria of at least 25 years of age, 2 years and above working experience, and education levels ranging from elementary school to undergraduate. Before filling out the questionnaire, respondents were given a thorough explanation. A total of 300 questionnaires were distributed to owners of Small and medium-sized Enterprises (MSME). Finally, responses were screened to identify the eligible data.



This study used a questionnaire to measure five (5) variables, namely customer orientation, learning orientation, customer response power capability, market sensing quality, and marketing performance. Definitions for each variable are provided in Table 2.

Table 2 Variable operational definition

Independent Variables	Definition	Source
Customer orientation	A company must satisfy customer needs and desires	Pousa & Mathieu
	by gathering information, paying attention to complaints, and solving customer complaints.	(2014); Singh & Das (2013)
Learning orientation	Developing self-ability through deep knowledge and	Dulger et al. (2016;
	skills applied to daily activities is necessary to	Pesämaa et al.
	achieve company goals.	(2015); Vij &
		Farooq (2015)
Customer response	A company can always respond quickly to customer	(Korschun et al.
power capability	complaints through creativity and innovation while	(2014)
	anticipating changes that tend to be dynamic and in	
	a more advanced direction.	
Market sensing	The ability of a company to maintain its viability by	Ardyan (2016)
quality	anticipating the future market, where the market	
	tends to be dynamic.	
Marketing	The ability of a company to earn profits through	Jae-Won & Seung-
performance	optimizing the sales force is empowered through the	Bae (2019);
	systematic and structured deepening of knowledge	Tafesse &
	and training.	Korneliussen
		(2013)

A total of 300 questionnaires were distributed and completed by 265 participants, as presented in Table 3. A non-response bias test was conducted to ascertain whether the characteristics of respondents who promptly completed the questionnaire differed from those who completed it late. Any disparity could potentially impact the data analysis results, particularly when the response rate was low. An independent sample t-test was used to compare the average response of participants who did and did not promptly complete the questionnaire. The value of Levene's test for equality of variance shows the significant difference between the population variances of the 2 samples.

Table 3 Survey response summary

Total number of questionnaires	300
Number of completed and returned questionnaire	265
Unreachable MSME	30
Number of MSME decline participation	5
Response rate	90%

Validity and reliability tests were performed to ensure the accuracy of data. The confirmatory factor analysis of this study showed that the indicators used can explain the formed latent variables. It is evident from the extracted values of convergent validity, index reliability, and variance, which are all

8

more significant than the set value limits, as shown below. A reliable instrument should meet an alpha value ranging from 0.84 to 0.90 to indicate reliability (Taber, 2018). The coefficient alpha of the 5 variables in the model ranged between 0.92 and 0.96. However, there were 6 items, namely 4, 7, 9, 11, 17, and 19, that showed standardized loading below 0.700, as presented in Table 4.

Table 4
Scale item with loading factor and reliabilities

	Coefficient	Standardized
	alpha	loading
Market sensing quality (Elia, 2016) AVE = .53; CR= .94	.93	
1. I can obtain information as effectively as possible		.727
2. I can interpret information from customer		.742
3. I can understand customer dynamics		.771
4. I can dig up various relevant information		.655
Customer response power capability (Keneseia & Kolosb, 2018) AVE= .52, CR=.87	.92	
5. I always have to share alternative solutions to customer problems		.771
6. I am always quick to mobilize resources to meet customer needs		.741
7. I will always anticipate customer needs in the future		.681
8. I am always fast in giving feedback to the customer		.762
Marketing performance (Jae-Won & Seung-Bae, 2019; Tafesse & Korneliussen, 2013) AVE = .53, CR= .88	.92	
9. I always generate a higher level of sales when compared to my colleagues		.697
10. I consistently exceed the sales target set by the company		.735
11. I can increase the company's market coverage		.676
12. The growth of new customers is high		.780
Customer orientation (Pousa & Mathieu, 2014), AVE = .52; CR= .85	.93	
13. I always work above regular hours		.720
14. I always do work before it is time to finish		.745
15. I always look for solutions to problems that my customers face		.768
16. I always find out, if there is something I think is new		.769
Learning orientation (Dulger et al., 2016; Pesämaa et al., 2015) AVE=	.96	
.55; CR= .83		
17. I always pay attention to every move of competitors		.693
18. I always provide the best solution to the problems faced by customer		.717
19. I always thought that making friends was an investment		.673
20. I always learn from my mistakes		.736

Evaluation of the model's suitability was conducted to determine the extent to which the hypothesized model fits the sample data (Ferdinand, 2014). The assessment comprises several selected criteria, namely Chi-square=150.942, probability=.684, TLI=1.006, CFI=.997, GFI=.946, AGFI=.925, CMIN/DF=.943, RMSEA=.001, NFI=.921. Based on these metrics, the model was acceptable and worthy of further inquiry. The standard method of the fit was CFI=1.000 and RMSEA=0.000 (Ryu & Cheong, 2017). The results of the processed data analysis are presented in the figure below.

ESULTS AND DISCUSSIONS

Results

turnitin

The hypotheses proposed in this study were analyzed using Structural Equation Modelling (SEM). Table 5 represents the analysis result of hypothesis testing. The accepted hypotheses showed a p-value of less than 0.05. Based on the analysis, 4 hypotheses were accepted, indicating a significant relationship between market sensing quality, customer orientation, and learning orientation in response to customer response power capability. Additionally, a considerable correlation between customer response and marketing performance was observed. However, the connection between market sensing quality, customer orientation, and learning orientation to marketing performance was rejected.

Table 5
Results of hypothesis testing

Hypothesis β Sig Comment H1: The greater the market sensing quality, the higher the .110 .192 Rejected marketing performance. H2: The greater the market-sensing capability, the higher the .165 .023 Accepted quality of customer response. H3: The greater the ability of the company to be customer-.179 .020 Accepted oriented, the higher the response given to customers. H4: The greater the company's ability to be customer-oriented, the .026 .768 Rejected more marketing performance will improve. H5: The greater the company's ability to learn, the higher the .420 .000 Accepted ability of the salesperson to respond to customers. H6: The greater the company's ability to learn, the higher the .076 .498 Rejected marketing performance. H7: The greater the company's ability to respond to customers, the .404 .000 Accepted higher its marketing performance.

Source: Data processed (2023)

The model role testing examines the significance of customer response power capability variable in filling the gap between market sensing quality and marketing performance. Furthermore, it used the Sobel Test calculation to assess the significance of this mediating variable (Baron & Kenny, 1986). Within the structural equation model, the Sobel test was used to determine the significance of the indirect effect. The results of statistical testing showed the role of customer response power capability in mediating marketing performance. The test value was 2.66, while the probability value (two tails) was .008. The Ccustomers' response power capability variable can close the gap between market sensing quality and marketing performance. The salesperson's ability to anticipate potential customers is critical. Therefore, this grouping can improve marketing performance

Discussion

Marketing performance is influenced by many things, such as customer orientation, learning orientation, customer response power capability, and market sensing quality. In this study, these variables were tested to investigate their relation to marketing performance. Among these variables, only customer response capability exhibits a direct relationship (p<0.05) compared to others (p>0.05).





Furthermore, this variable has a connection with market sensing quality, customer orientation, and learning orientation (p<0.05). The results showed that responding to customers has more impact on marketing performance, while customer response capability is influenced by the company's ability to sense market quality, customer orientation, and learning orientation. The model investigated presented that customer response capability is a moderator variable between marketing performance and sense market quality, customer orientation, as well as learning orientation.

Customer response power capability is the most essential factor in marketing performance. Therefore, MSME actors should prioritize the production of high-quality products. Customer purchases often reflect their social status, with products of high prestige indicating high social status (Udayana et al. 2020). This underscored the significance of creating products that are difficult to imitate, making it challenging for competitors to enter the market. According to additional results, the task of MSME actors is to create unique products with high personal and aesthetic values. The company should also swiftly mobilize resources to satisfy client wants, keep an eye on consumer needs going forward as it is vital for the business, and consider the dynamics of customer needs (Jae-Won & Seung-Bae, 2019).

The factor with the most significant impact on the quality of customer response is learning orientation. Managers should prioritize addressing customer concerns (Vij & Farooq, 2015). This method can lead to providing an ideal solution, resulting in satisfied customers who are more likely to make repeat purchases and spread positive word of mouth about the product. These customers tend to be more resistant in switching to competing products, making it crucial for the Enterprise to monitor the movements of their competitors' products to survive and stay current with advances. Anticipating and fulfilling customer needs and desires is crucial for maximizing satisfaction. MSME actors can achieve this by delivering the most effective services. A satisfied customer is more likely to provide positive recommendations for a purchased product, influencing the opinions of other potential customers. The ability to offer the most remarkable solutions to customer problems is essential in determining consumer satisfaction (Vij & Farooq, 2015). Additionally, the accuracy and swiftness of consumer response directly impact customer satisfaction.

Market sensing quality complements customer response quality. The ability of MSME actor ability to obtain and manage accurate information remains limited. Filtering relevant information related to customer problems still needs to be improved. The accuracy with which information is obtained directly impacts decision-making. In contrast to Vasić et al. (2019), a report stated that the ability to interpret information for MSME actors significantly affects future understanding of customer needs and desires. Effective resource management enhances the ability to anticipate and respond to customer needs.

The study showed that customer response power capability acts as an intermediary between market sensing quality and marketing performance. This capability has a significant positive effect on customer orientation. Similarly, learning orientation can positively affect marketing performance through customer response quality (Dulger et al., 2016). The ability of MSME actors to manage resources can be used in the future to anticipate customer needs and desires. The preferences of consumers are dynamic in response to their increasing purchasing power. Therefore, increased purchasing power impacts sales and marketing performance.

CONCLUSION

The model proposed in this study indicated that customer response power capability was positively influenced by market sensing quality, customer, and learning orientation. Furthermore, it had positive impacts on marketing performance, while customer orientation, learning orientation, and market sensing quality exhibited no effect. As a result, customer response power capability was proved to be a mediator, alongside bridging the study gap. Customer reaction quality significantly impacted



marketing performance compared to customer orientation, learning orientation, and market sensing abilities. A fast response from the company satisfied the demand of customers. For business owners, providing clients with quick and accurate innovations should be the top priority. The fast and accurate response led to higher satisfaction.

Results showed that sales managers paid attention to the various difficulties encountered by customers and provided solutions to customer problems by optimizing the resources of the company. Furthermore, managers anticipate the needs and desires of their customers. The greater the ability of the sales manager to anticipate customer needs and desires, the higher the level of customer satisfaction. Additionally, the manager also paid close attention to feedback received, as a quick and accurate response was highly valued by the customer. MSME actors worked creatively and innovatively in offering the most remarkable customer service to achieve maximum sales development. All of these actions enhanced the effectiveness of marketing. The effectiveness of marketing performance was determined by the capacity of MSME actors to obtain adequate and correct information. Furthermore, making the best decision requires a proper interpretation of the facts. MSME entrepreneurs comprehend client dynamics, while preferences constantly change and tend to be of higher quality. Increased marketing performance was possible, but required consistent effort by MSME actors and the willingness to take on new challenges and experiences. Since an organization's performance depended on the quality of its human resources, learning was viewed as an investment rather than a cost by MSME owners. The likelihood that an organization will survive depends on the quality of its human resources. Meanwhile, better resource management enabled quick identification of competitive dynamics.

Since many factors, such as customer trust and workers' attitude impacted marketing performance in addition to those previously included in this study model, the number of independent variables needed to be investigated. These factors were assumed to be related to marketing performance. The evidence from the current study required additional input from the perspective of the sample. Consequently, it was advisable to expand the sample size to yield more accurate results and data. The accuracy was directly proportional to the number of samples collected. The broader the scope of the study, the more comprehensive the data, leading to more precise results. This study focused solely on a cross-section of the larger picture. Therefore, it was imperative to incorporate time series analysis. This aimed to avoid the loss of a significant amount of information and incomplete data. Including time series studies in future investigations allowed direct engagement with respondents. This method enabled the extraction of intricate details about MSMEs through direct interviews. This comprised data on customer requirements and preferences. Furthermore, all client feedback, whether positive or negative, was invaluable. Complaints shed light on both the strengths and weaknesses of a product. This information proved instrumental for MSMEs seeking to enhance their offerings. Given that client demands were in a constant state of flux, this process should be conducted regularly.

- **Author Contribution:** The first, second, and third authors were responsible for planning, retrieving, and analyzing data. The fourth was responsible for article editing and literature review.
- Funding Statements: This research is funded by the authors and supporting author publication fee from the Faculty of Economics, University of Sarjanawiyata Tamansiswa.

Acknowledgments: The authors would like to thank the Faculty of Economics, University of Sarjanawiyata Tamansiswa

Conflicts of Interest: There is no conflict of interest regarding this study.



REFERENCES

- Abdul-Hafez, B., & Al-Nady, A. (2016). The role of time, communication, and cost management on project management success: An empirical study on sample of construction projects customers in Makkah City, Kingdom of Saudi Arabia. Int. J. Services and Operations Management, 23 (1), 76-112. DOI: 10.1504/IJSOM.2016.073293
- Amyx, D., Sharma, D., & Alford, B. L. (2014). The influence of role ambiguity and goal acceptance on salesperson performance and commitment. Marketing Management Journal, 24 (1), 52-65.
- Ardyan, E. (2016). Market sensing capability and MSMEs performance: The mediating role of product innovativeness sucsess. DLSU Business & Economics Review, 25(2), 79-97.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Strategic, and statistical considerations. Journal of personality and Psychology, 51(6), 1173 - 1182.
- Bohmova, L., & Pavlicek, A. (2015). The influence of social networking sites on recruiting human resources in the Czech Republic. Organizacija, 48(1), 23-31. DOI: Doi: 10.1515/orga-2015-0002
- Bolander, W., Satornino, C. B., Hughes, D. E., & Ferris, G. R. (2015). Social networks within sales organizations: Their development and importance for salesperson performance. Journal of Marketing, 79 (6), 1 - 16. Doi: 10.1509/jm.14.0444
- Cartera, R. E., Hendersonb, C. M., Arronizc , I., & Palmatierd, R. W. (2014). Effect of sales team's acquisition-retention trade-off on performance. Journal of Personal Selling & Sales Management, 34 (2), 91 - 111. Doi: 10.1080/08853134.2014.890903
- Chaker, N. N., Schumann, D. W., Zablah, A. R., & Flint, D. J. (2016). Exploring the state of salesperson insecurity: How it emerges and why it matters? Journal of Marketing Theory and Practice, 24 (3), 344 - 364. Doi: 10.1080/10696679.2016.1170530
- Chirani, E. P. D., & Matak, S. A. (2012). Sales effectivenes from behavior approaches. *Journal Homepage*, *2*(1), 4-12.
- Dikcius, V., Kirse, S., Casas, R., & Koncanina, A. (2019). Drivers of attitudinal and behavioural loyalty in B-2-B markets. Engineering Economics, 30 (1), 94-102. DOI:10.5755/j01.ee.30.1.20182
- Dulger, M., Alpay, G., Yilmaz, C., & Bodur, M. (2016). How does learning orientation generate product innovativeness and superior firm performance? International Journal of Business and Economic Development., 4(2), 68 - 77. Doi: 10.24052/IJBED
- Ferdinand, A. (2014). Structural equation modeling dalam penelitian manajemen, aplikasi model-model rumit dalam penelitian untuk skripsi, Tesis dan Disertasi Doktor (Vol. Edisi 5). Semarang: Badan Penerbit Universitas Diponegoro.
- Ferdinand, A. T., & Wahyuningsih, W. (2018). Sales team's innovativeness: A driver of sales performance. Management & Marketing Challenges for the Knowledge Cociety, 13 (2), 966-984 DOI:10.2478/mmkcs-2018-0016.
- Fernando, Y., Shaharudin, M. S., & Wahid, N. A. (2016). Eco-innovation practices: A case study of green furniture manufacturers in Indonesia. International Journal of Services and Operations Management, 23(1), 43-58. DOI: 10.1504/IJSOM.2016.073289
- Ferreira, F. A. F., Ferreira, J. J. M., Fernandes, C. I. M. A. S., Meidutė-Kavaliauskienė, I., & Jalali, M. S. (2017). Enhancing knowledge and strategic planning of bank customer loyalty using fuzzy cognitive maps. *Technological* & **Economic Development** of Economy, 23 (6), 860-876. DOI:10.3846/20294913.2016.1213200
- Hadi, S., Pebrianti, E., & Kirana, K. C. (2023). Analysis of the effect of work-life balance, self-esteem and work motivation on organizational commitment moderated by organizational justice on workers in Yogyakarta. Journal of Education, Teaching, and Learning, 8 (1), 7–14. DOI: 10.26737/jetl.v8i1.3313



- Hémar-Nicolas, V. (2019). How do children make sense of food well-being? Food for thought for responsible retailers. *International Journal of Retail & Distribution Management, 47*(6), 605-622. DOI:10.1108/IJRDM-08-2017-0181.
- Hidayati, S., Hadi, S., Kiranaa, K. C., & Hermawan, H. D. (2022). Trilogi kepemimpinan Ki Hajar Dewantara dan kompensasi terhadap organizational citizenship behavior melalui etos kerja. *Edukatif: Jurnal Ilmu Pendidikan*, *4* (3), 4651- 4667. DOI: 10.31004/edukatif.v4i3.3008
- Jae-Won, H., & Seung-Bae, P. (2019). The identification of marketing performance using text mining of airline review data. *Mobile Information Systems*, 1-8. DOI:10.1155/2019/1790429
- Keneseia, Z., & Kolosb, K. (2018). The role of employee affective delivery and customer perceived control in service recovery. *Market-Tržište*, *30*(1), 7-22. DOI: http://dx.doi.org/10.22598/mt/2018.30.1.7
- Kidwell, B., McFarland, R. G., & Avila, R. A. (2007). Perceiving emotion in the buyer–seller interchange: The moderated impact on performance. *Journal of Personal Selling & Sales Management, 27* (2), 119 132.
- Korschun, D., Bhattacharya, C. B., & Swain, S. D. (2014). Corporate social responsibility, customer orientation, and the job performance of frontline employees. *Journal of Marketing*, 78 (3), 20-37. DOI: 10.1509/jm.11.0
- Liang, L. I., Yongyue, Z. H. U., & Chanwook, P. (2018). Leader–member exchange, sales performance, job satisfaction, and organizational commitment affect turnover intention. *Social Behavior & Personality: An International Journal*, 46(11), 1909-1922. DOI:10.2224/sbp.7125
- Locander, D. A., Weinberg, F. J., & Locander, W. B. (2018). The mediating role of sales department innovation orientation on creative selling. *Journal of Managerial Issues*, *30*(4), 463-482.
- Locandera, D. A., Locander, J. A., & Weinberg, F. J. (2020). How salesperson traits and intuitive judgments influence adaptive selling: A sensemaking perspective. *Journal of Business Research*, 118 (1), 452-462. DOI: 10.1016/j.jbusres.2020.07.013.
- Miao, F. C., & Evans, K. R. (2013). The interactive effects of sales control systems on salesperson performance: A job demands–resources perspective. *Journal of the Academy Marketing Science,* 41, 73 90. DOI: 10.1007/s11747-012-0315-4
- Pesämaa, O., Shoham, A., Khan, M. L., & Muhammad, I. J. (2015). The impact of social networking and learning orientation on performance. *Journal of Global Marketing, 28* (2), 113 131. DOI: 10.1080/08911762.2014.991016.
- Pousa, C., & Mathieu, A. (2014). Boosting customer orientation through coaching: A Canadian study. *International Journal of Bank, 32*(1), 60-81. DOI: 10.1108/IJBM-04-2013-0031
- Ryu, E., & Cheong, J. (2017). Comparing indirect effects in different groups in single-group and multigroup structural equation models. *Frontiers in Psychology*, 8 (747), 1–14. DOI: 10.3389/fpsyg.2017.00747
- Savukoski, S. P., Karn, R., Maria, K., Heli, & Juntunen, J. (2022). The influence of digital learning on health sciences students' competence development: A qualitative study. *Nurse Education Today*, *120*(2): 1-7. DOI:10.1016/j.nedt.2022.105635
- Singh, R., & Das, G. (2013). The impact of job satisfaction, adaptive selling behaviors and customer orientation on salesperson's performance: Exploring the moderating role of selling experience. *Journal of Business & Industrial Marketing*, 28 (7), 554-564. DOI: 10.1108/JBIM-04-2011-0121.
- Taber, K. S. (2018). The use of Cronbach's Alpha when developing and reporting research instruments in science education. *Research in Science Education*, 48 (7), 1273–1296. DOI: https://doi.org/10.1007/s11165-016-9602-2
- Tafesse, W., & Korneliussen, T. (2013). Examining the effect of using multiple media tools on the marketing performance of organizations in a trade campaign environment. *Journal of Marketing Communications*, 19(3), 215 227. DOI: 10.1080/13527266.2011.619556



Page 19 of 19 - Integrity Submission



- Tawinunt, K., Phimonsathien, T., & Fongsuwan, W. (2015). Service quality and customer relationship management affecting customer retention of longstay travelers in the Thai tourism industry: A SEM approach. *International Journal of Arts & Sciences*, 8 (2), 459-477.
- Teece, D. J. (2014). A dynamic capabilities-based entrepreneurial theory of the multinational enterprise. *Journal of International Business Studies, 45*, 8 - 37. DOI:10.1057/jibs.2013.54
- Udayana, I. B. N. (2022). Niche based relational capability to increase sales team performance in small and medium enterprises. *Business: Theory and Practice, 23* (1), 141-153. DOI: 10.3846/btp.2022.13012
- Udayana, I. B. N., Purnama, I. A., Lukitaningsih, A., & Subiyanto, D. (2020). The influence of customer equity towards WOM behavior through purchase intention. *International Journal of Research in Marketing Management and Sales, 2* (1), 09-15. DOI: 10.33545/26633329.2020.v2.i1a.39
- Vasić, N., Kilibarda, M., & Kaurin, T. (2019). The influence of online shopping determinants on customer satisfaction in the Serbian market. *Journal of Theoretical & Applied Electronic Commerce Research*, 14 (2), 70-89. DOI:10.4067/S0718-18762019000200107
- Vij, S., & Farooq, R. (2015). The relationship between learning orientation and business performance: Do smaller firms gain more from learning orientation? *Journal of Knowledge Management, 8* (4), 7-28. Available at SSRN: https://ssrn.com/abstract=2711157
- Wang, X., Wang, G., & Hou, W. C. (2016). Effects of emotional labor and adaptive selling behavior on job performance. *Social Behavior and Personality, 44* (5), 801-814. Doi:org/10.2224/sbp.2016.44.5.801
- Zhang, J. A., & Walton, S. (2017). Eco-innovation and business performance: the moderating effects of environmental orientation and resource commitment in green-oriented MSMEs. *R&D Management*, 47 (5), 26-39. Doi:10.1111/radm.12241

