

How to Cite

Putra, N. R., & Setiawan, P. Y. (2022). The role of innovation in mediate the effect of market orientation and technology orientation on marketing performance. *International Journal of Business, Economics & Management*, 5(4), 354-366. <https://doi.org/10.21744/ijbem.v5n4.1993>

The role of innovation in mediate the effect of market orientation and technology orientation on marketing performance

Nyoman Rahina Putra

Faculty of Economics and Business, Udayana University, Denpasar, Indonesia
Corresponding author email: nymrahinaputra@gmail.com

Putu Yudi Setiawan

Faculty of Economics and Business, Udayana University, Denpasar, Indonesia

Abstract---The purpose of this research is to provide practical and theoretical insights on how businesses adapt in the midst of the current pandemic by further developing their marketing performance through market orientation and technology orientation, as well as seeing the role of innovation in mediating it. This research was conducted in one of the MSMEs, My-Kind-of-Beauty, in the beauty sector with roasted candlenut oil products which have 798 resellers spread in almost all provinces of Indonesia (as of May 2022). This research is a quantitative study by taking a sample of 152 people, collected by distributing questionnaires containing open and closed statements and statements that have been tested for validity and reliability. The analysis technique used is the Structural Equation Model (SEM) using an analytical tool in the form of SmartPLS software. The results of this study indicate that market orientation and technology orientation have a positive and significant effect on marketing performance, and the role of innovation can partially mediate the relationship between market orientation and technology orientation on marketing performance. This research is expected to be empirical evidence for future research and be able to enrich the development of marketing management science, especially market orientation, technology orientation, innovation, and marketing performance.

Keywords---Business Performance, Innovation, Market Orientation, Marketing Performance, Technology Orientation.

Introduction

The COVID-19 pandemic has provided a new form of competition with competitors in similar fields. As a result, competition occurs by utilizing digital channels, and building information whose credibility is the key in building the trust of end-users as well as potential partners, distributors and agents. With digital transformation, it is important to do digital innovation, namely by focusing on creating effective advertising messages so that they are able to reach their target market correctly with the aim of achieving their marketing performance (İpek & Bıçakcıoğlu-Peynirci, 2020).

In its definition, marketing performance is a measure of the success that a company can achieve in marketing its products in the market (Mulyani, 2015). Marketing performance is a concept used to measure company performance in the market for a product. To achieve good marketing performance it is important to know more about what factors influence it. Companies can obtain real, reliable and action-oriented market information through market orientation. Innovation will be able to drive market demand and improve marketing performance. Companies will be more effective in adapting to their environment through innovation and creating new capabilities that can provide a competitive advantage and impact on the company's marketing performance (Igweh & Stephen, 2019).

This makes innovation increasingly important as a means of survival, not only for growth but also in business competition. Several factors directly influence innovation, including market orientation and technology orientation.

Not only innovation, in the previous literature, market orientation and technology orientation also have a direct influence on marketing performance.

Market orientation is a point of view that places consumers as the focus of attention in the company's business operations. According to [Narver & Slater \(1990\)](#), "Market orientation is a business culture that is efficient and effective in developing employee behavior in such a way as to support efforts to create superior value evaluations for customers." Market orientation is a corporate culture that places the market as the key to the company's survival. Market participants must pursue information and know consumer needs so that the products produced provide customer satisfaction, in order to support the company's growth rate in the midst of increasingly complex competition.

With market orientation followed by technology orientation then the company is able to maintain customer satisfaction and loyalty, attract new customers, achieve the desired growth and market share, and thus be able to achieve the desired level of business performance, and the company is able to achieve and maintain the desired level of performance business. [Wang et al. \(2012\)](#), stated that the main principle of market orientation remains to support distribution, exchange of information and respond well to evolving market demands to achieve organizational goals, safeguarding customer needs and wants, while taking into account the interests of all business stakeholders.

In previous research related to marketing performance, market orientation has an influence on marketing performance according to research results from [Buli \(2017\)](#); [Alwi & Handayani \(2018\)](#); and [Amin et al. \(2016\)](#). But next [Amin et al. \(2019\)](#), found that for furniture products, market orientation had the opposite effect on marketing performance because the furniture products produced were monotonous (only using wood) which caused consumers to feel bored with the products offered and resulted in decreased marketing performance.

In other research on technology orientation, technology orientation has an influence on marketing performance supported by research conducted by [Sidiq & Astutik \(2017\)](#); [Silalahi & Tresnani \(2021\)](#). However, [Reken et al. \(2020\)](#), found slightly different results; showed positive but not significant results on the sale of property units in Ciputra Tallasa Jo Makassar.

The inconsistency of research results on the effect of market orientation and technology orientation on marketing performance causes the need for other variables that act as mediators. In several studies stated that innovation has a clear influence on marketing performance. Research related to innovation on marketing performance, including those conducted by [Oly-Ndubisi & Iftikhar \(2012\)](#) and [Wahyono & Hutahayan \(2021\)](#), showed that innovation had a positive and significant effect on marketing performance.

Other research by [Asashi & Sukaatmadja \(2017\)](#) shows the results that market orientation has a positive and significant effect on innovation; supported by research by [Zulfa & Umam \(2018\)](#), which in their study, showed positive and significant results. Likewise with the technology orientation towards innovation, in the research of [Widiarta et al. \(2020\)](#) and [Chi \(2021\)](#), found that technology orientation had a significant positive effect on innovation. But interestingly, underlining the effect of market orientation on innovation, the research conducted by [Wahyono & Hutahayan \(2021\)](#), found different results which concluded that market orientation had no effect on innovation in the Javanese and Balinese textile industries.

Based on the phenomena that occur and the research gap inconsistency of previous research results, this is the main reason for conducting research and testing related to the effect of market orientation and technology orientation on marketing performance with innovation as a mediating variable in My Kind of Beauty brand. The main objective in this study, RBV (Resource Based View) is used as a grand theory, positioning resellers as part of the company (internal resources) which then with the right resource utilization strategy will ultimately lead to good company performance. Resellers' considerations in analyzing market orientation and technology are considered as key variables that affect marketing performance both directly and indirectly mediated by innovations made by resellers.

Literature review and hypotheses development

According to [Brem & Voigt \(2009\)](#), innovation is the ability possessed by a company to find something new by carrying out activities in the fields of services, systems, processes, and so on. Then further research by [Lin et al. \(2008\)](#), found that managers influence in determining the company's market orientation and market orientation affects innovation. In research conducted by [Asashi & Sukaatmadja \(2017\)](#), found the results that Market Orientation has a significant positive effect on Innovation. Another study conducted by [Zulfa & Umam \(2018\)](#), which tested the Market Orientation variable on Innovation, and found the results that Market Orientation had a positive and significant effect on Innovation. Likewise, research conducted by [Wahyudiono \(2010\)](#), found that Market Orientation has a significant positive effect on innovation.

H1: Market Orientation has a positive and significant effect on Innovation

Companies seek to achieve a superior competitive advantage through the creation of sustainable and superior value for customers, namely through market orientation. In the study of [Kumar et al. \(2011\)](#), found that market orientation has a positive short-term and long-term impact on business performance. According to [Gotteland et al. \(2020\)](#), note that in addition to such market orientation, companies need complementary technological backgrounds and capabilities (i.e., technology orientation) to innovate. Creating sustainable superior value for customers is impossible if the company cannot recognize and meet new needs, which means the company must use its technical know-how to develop new solutions. Technology-oriented companies have strong R&D and proactively seek or acquire new technologies and innovations to develop products that are better than current or potential competitors' products according to [Gotteland et al. \(2020\)](#). Thus, having a strong technology orientation can result in companies opportunistically developing a proactive understanding of customers' latent needs. In the research of [Widiarta et al. \(2020\)](#), get the results that Technology Orientation has a positive effect on Innovation. Then it is supported by research conducted by [Chi \(2021\)](#), getting the results that Technology Orientation has a positive and significant effect on Innovation.

H2: Technology Orientation has a positive and significant impact on Innovation

[Hult et al. \(2004\)](#), said that the achievement of organizational goals can be seen from business performance. Business performance can be measured through the profitability of one of them. Innovation affects business performance ([Huhtala et al., 2014](#); [Jimenez-Jimenez & Sanz-Valle, 2011](#); [McDermott & Prajogo, 2012](#)). According to [Brem & Voigt \(2009\)](#), innovation is the ability of a company to find something new. By carrying out activities in services, systems, processes, and so on. In a study conducted by [Oly-Ndubisi & Ifikhar \(2012\)](#), found that innovation has a positive and significant effect on marketing performance. Another study, which was researched by [Asashi & Sukaatmadja \(2017\)](#), also found the same results in their research, in line with previous research that Innovation has a positive effect on Marketing Performance, especially in MSMEs. Then it is supported by what was done in the research conducted by [Wahyono & Hutahayan \(2021\)](#), which found results in the study that the Innovation variable supports business performance positively and significantly. But interestingly, the research conducted by [Buli \(2017\)](#), found the results that Innovation did not have a significant effect on Marketing Performance.

H3: Innovation has a positive and significant effect on Marketing Performance

Market-oriented businesses aim to understand customer needs by coordinating, organizing and sharing customer-related information across the organization to create superior value for customers ([Yoganathan et al., 2015](#)). Market orientation enables companies to respond quickly to market changes by introducing new products and services. The creation of superior customer value is directly related to performance improvement and is the key to competitive advantage and performance ([Gruber-Muecke & Hofer, 2015](#)). Thus, managers of a business are encouraged to engage in responding to customer demands and realizing business performance goals ([Buli, 2017](#); [Amin et al., 2016](#); [Boso et al., 2013](#)). In a study conducted by [Buli \(2017\)](#), found the results that the Market Orientation variable has a positive and significant influence on Business Performance, Competitive Advantage, and Marketing Performance. Next, in another study, [Alwi & Handayani \(2018\)](#), found the results that the Market Orientation variable had a positive effect on Competitive Advantage and Marketing Performance. Another study by [Amin et al. \(2016\)](#), found the results that Market Orientation has a positive and significant influence on Business and Marketing Performance.

H4: Market Orientation has a positive and significant effect on Marketing Performance

According to [Gotteland et al. \(2020\)](#), companies with a technology orientation have the will and ability to develop new products that contain these technological advantages. A technology-oriented company has strong research and development efforts, actively acquires new technologies, and works to implement the latest advances in technology. Companies with a technology orientation continue to strive to develop products that are better than their current or potential competitors by staying abreast of the latest technological developments, which in turn will have an impact on the competitive advantage of their competitors. In a study conducted by [Sidiq & Astutik \(2017\)](#), found the results that the Technology Orientation variable had a positive and significant effect on Business Performance and Marketing Performance. The following is a study conducted by [Sitalahi & Tresani \(2021\)](#), which obtained results where technology has a positive and significant influence on competitive advantage and marketing performance.

H5: Technology Orientation has a positive and significant effect on Marketing Performance

In previous research conducted by [Wahyono & Hutahayan \(2021\)](#), showed the results that innovation was able to mediate the effect of market orientation on marketing performance. It is also supported by research conducted by

Zulfa & Umam (2018) which in their study, showed similar results, where innovation was able to mediate the effect of market orientation on marketing performance.

H6: Innovation is able to mediate the influence of Market Orientation on Marketing Performance

According to Gotteland et al. (2020), technology-oriented companies continue to strive to develop products that are better than their potential competitors by staying abreast of the latest technological developments. Thus, technology orientation encourages companies to acquire new technologies in order to excel in the competition. The acquisition of such new technologies facilitates the development of new products containing technological advantages. By adopting a strong technology base, technology-oriented organizations can change the entire nature of competition, and often create new innovations. In a study conducted by Widiarta et al. (2020), show the results that innovation is able to mediate the effect of technology orientation on marketing performance.

H7: Innovation is able to mediate the effect of Technology Orientation on Marketing Performance.

Methods

This research was conducted on My Kind of Beauty MSMEs, by making agents/resellers of My Kind of Beauty throughout Indonesia as the population of the study, which then determined several criteria to determine them as samples from the study. The selected sample (respondent) then gives an assessment of the statements contained in the questionnaire. The research lasted for 3 (three) months, the questionnaire was distributed from July 18 to July 25, 2022.

The population of the study is all agents/resellers of My Kind of Beauty brand throughout Indonesia. The total population as of April 30, 2022 is 789 agents/resellers. In determining the sample, the sampling technique used is a non-probability sampling technique with a purposive sampling technique. The criteria used in determining the sample are agents throughout Indonesia, have joined as resellers and are actively selling for the last 3 months. Sampling was carried out in areas with the best 10 turnover categories, re-depositing min. 50 bottles in the last 3 months (to determine active or inactive status; minimum withdrawal rules per re-deposit transaction of at least 50 bottles), and have made innovations in selling such as being active in creating content on social media and creating ideas in selling to support sales (making gift set packages).

In this study, the research procedure will begin with the stages of compiling/designing a questionnaire, writing down statement items that will be included in the questionnaire. Then the next questionnaire will be converted into Google Forms (bit.ly). The questionnaire will then be distributed through the WA group to the respondents, or send it personally. Dissemination of questionnaires can also be done by holding meetings with respondents flexibly; arrange separate appointments with respondents. After getting answers from the respondents, then proceed with data analysis using the SEM (Structural Equation Modeling) analysis method. The data analysis technique in this study used descriptive analysis techniques and inferential statistical analysis using Structural Equation Modeling (SEM).

Results and Discussion

1) Convergent validity

Convergent validity, the correlation between reflective indicator scores and latent variable scores. This study uses a loading factor of 0.5 to 0.6.

Table 1
Convergent Validity

Innovation	Market Performance	Inter-functional coordination	Market Orientation	Cust. Orientation	Competitor Orientation	Technology Orientation
X1.1.1			0.643			
X1.1.1				0.889		
X1.1.2			0.766			
X1.1.2				0.934		
X1.1.3			0.746			
X1.1.3				0.941		
X1.1.4			0.648			

X1.1.4			0.748	
X1.2.1		0.796		
X1.2.1				0.977
X1.2.2		0.791		
X1.2.2				0.983
X1.2.3		0.750		
X1.2.3				0.947
X1.3.1		0.706		
X1.3.1	0.884			
X1.3.2		0.687		
X1.3.2	0.907			
X1.3.3		0.756		
X1.3.3	0.918			
X2.1				0.763
X2.2				0.861
X2.3				0.782
Y1	0.813			
Y2	0.825			
Y3	0.769			
M1	0.798			
M2	0.915			
M3	0.846			

Primary Data, 2022

Based on Table 1, it can be seen that all the values of the outer loading variables are greater than 0.50. Thus it can be stated that the data in this study is valid, meaning that the reflective indicators with the latent variable scores have a good correlation. Convergent validity testing is also done by looking at the average variance extracted (AVE) value of each latent variable. If the average variance extracted (AVE) latent variable is greater than 0.5, it is said to have good convergent validity. In this study, it is recommended that the AVE value should be greater than 0.50. The results of the convergent validity test using AVE are presented in Table 2 below.

Table 2
Convergent Validity

	Average Variance Extracted (AVE)
Innovation	0.730
Marketing Performance	0.645
Inter-functional coordination	0.816
Market Orientation	0.534
Customer Orientation	0.777
Competitor Orientation	0.939
Technology Orientation	0.645

Primary Data, 2022

2) Discriminant validity

The second part is testing the outer model using discriminant validity criteria with cross loading. This test is done by checking the cross loading with latent variables. If the cross loading value of each indicator on the relevant variable is the largest compared to the cross loading on other latent variables, then it is said to be valid. The indicator is considered valid if it has a cross loading value greater than 0.50. The results of the discriminant validity test using cross loading are presented in Table 3.

Table 3
Discriminant Validity Cross-Loading Validity Test

	Innovation	Market Performance	Inter-functional coordination	Market Orientation	Cust. Orientation	Competitor Orientation
X1.1.1	0.283	0.322	0.309	0.889	0.295	0.217
X1.1.2	0.290	0.362	0.458	0.934	0.404	0.248
X1.1.3	0.312	0.381	0.432	0.941	0.370	0.228
X1.1.4	0.198	0.202	0.382	0.748	0.399	0.187
X1.2.1	0.396	0.350	0.537	0.396	0.977	0.241
X1.2.2	0.391	0.360	0.506	0.406	0.983	0.256
X1.2.3	0.349	0.292	0.428	0.415	0.947	0.219
X1.3.1	0.321	0.368	0.884	0.446	0.408	0.223
X1.3.2	0.278	0.337	0.907	0.381	0.415	0.199
X1.3.3	0.295	0.328	0.918	0.400	0.546	0.247
X2.1	0.326	0.355	0.186	0.282	0.150	0.763
X2.2	0.301	0.332	0.209	0.169	0.203	0.861
X2.3	0.250	0.253	0.204	0.132	0.256	0.782
Y1	0.458	0.813	0.316	0.341	0.276	0.277
Y2	0.523	0.825	0.282	0.261	0.229	0.375
Y3	0.483	0.769	0.322	0.277	0.329	0.300
M1	0.798	0.493	0.236	0.229	0.260	0.191
M2	0.915	0.577	0.365	0.315	0.413	0.404
M3	0.846	0.485	0.226	0.239	0.310	0.327

Primary Data, 2022

Based on Table 3, it can be seen that all cross loading values for each indicator in each variable are greater than 0.50. Thus it can be stated that the data in the study is valid, meaning that the latent variable has become a good comparison for the research model.

3) Discriminant Validity Cross-Loading Validity Test.

Discriminant validity in this study can also be seen from the value of the Root Square of Average Variance Extracted (RS \sqrt{AVE}) for each construct with the correlation between one construct and another. It can be seen from the square root value of AVE in bold which has a greater value than the correlation between constructs. The test results are presented in Table 4 below.

Table 4
Validity test using *Fornell Larscker* validity test

	Innovation	Market Performance	Inter-functional coordination	Market Orientation	Cust. Orientation	Competitor Orientation
Innovation	0.855					
Marketing Performance	0.609	0.803				
Inter-functional coordination	0.330	0.381	0.903			
Market Orientation	0.309	0.364	0.453	0.882		
Customer Orientation	0.391	0.345	0.507	0.418	0.969	
Competitor Orientation	0.369	0.397	0.248	0.251	0.247	0.803

Primary Data, 2022

4) Composite reliability

In this study, the reliability test used the Cronbach Alpha and composite reliability parameters. The results of the reliability test of Cronbach Alpha and composite reliability show that the values of all constructs are greater than the minimum limit of Cronbach Alpha (greater than 0.70) and composite reliability (greater or equal to 0.7). Based on the reliability test, the parameter values of all constructs are above 0.7, (Table 5). Thus, from the reliability test using Cronbach alpha and composite reliability, all constructs have good internal consistency to be used in the test of this model.

Table 5
Construct reliability

	Cronbach's Alpha	Composite Reliability	Description (>0,7)
Innovation	0.815	0.890	Valid
Marketing Performance	0.724	0.845	Valid
Inter-functional coordination	0.887	0.930	Valid
Market Orientation	0.902	0.919	Valid
Customer Orientation	0.901	0.933	Valid
Competitor Orientation	0.968	0.979	Valid
Innovation	0.726	0.844	Valid

Primary Data, 2022

5) Test the value of R-Square (R^2)

R-Square (R^2) serves to determine how much (%) the influence of the independent variable on the dependent variable, the range of R-square values is 0-1. If the value of R-square is close to 0 then the influence of the independent variable on the dependent variable is weaker. On the contrary, if it is close to 1, the stronger the influence of the independent variable on the dependent variable. The R-Square (R^2) value test is presented in Table 6.

Table 6
R-Square

	R-Square	R-Square Adjusted
Innovation	0.246	0.236
Marketing Performance	0.439	0.427

Primary Data, 2022

Based on Table 6, the effect of market orientation and technology orientation on innovation has an R-Square (R^2) value of 0.246. It can be interpreted that the variability of the innovation variable can be explained by the variability of market orientation and technology orientation of 24.6%; while 75.4% is explained by other variables outside the study. The model of the influence of market orientation, technology orientation, and innovation on marketing performance has an R-Square (R^2) value of 0.439. It can be interpreted that the variability of the marketing performance variable can be explained by the variability of the market orientation, technology and innovation orientation variables of 43.9% and 56.1% explained by other variables outside the study.

6) Test the value of Q-Square (Q^2)

The value of Q-Square (Q^2) is calculated to determine the value of observations generated by the model and parameter estimates. The value of Q-Square (Q^2) is calculated as follows.

$$\begin{aligned}
 Q^2 &= 1 - (1 - R_1^2)(1 - R_2^2) \\
 &= 1 - (1 - 0,246^2)(1 - 0,439^2) \\
 &= 1 - (0,939)(0,807) \\
 &= 1 - 0,758 \\
 &= 0,242
 \end{aligned}$$

The value of Q-Square (Q^2) obtained is 0.242. The value is greater than 0 (>0). This shows that 24.2% variation in Marketing Performance is influenced by market orientation, technology orientation and innovation; while 75.8% is explained by other variables outside the research variables.

Direct effect

This test is carried out using the t-test (t-test) on each path of influence between variables. In PLS statistical testing of each hypothesized relationship is carried out using simulation. In this case, the bootstrap method is applied to the sample. Testing with bootstrap is also intended to minimize the problem of abnormal research data. The results of the analysis of the empirical research model using Partial Least Square (PLS) analysis can be seen in Figure 1 below.

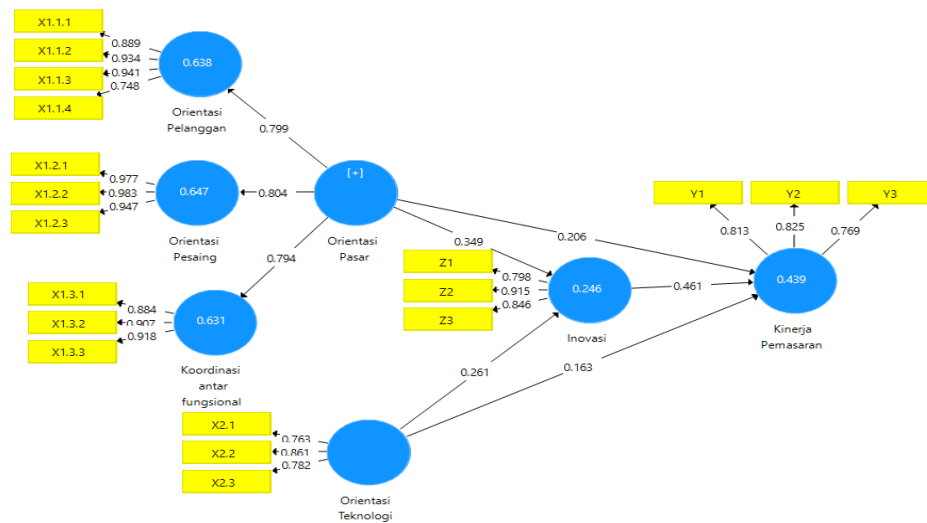


Figure 1. PLS

In Figure 1 it is explained that innovation has a direct effect on marketing performance with a coefficient of 0.461; market orientation has a direct effect on marketing performance with a coefficient of 0.206; and technology orientation has a direct effect on marketing performance with a coefficient of 0.163. Market orientation has a direct effect on innovation with a coefficient of 0.349; technology orientation has a direct effect on innovation with a coefficient of 0.261.

The next hypothesis testing is done by testing two values, namely the p-value is less than the alpha value of 5% (<0.05) and the t-statistic value must have a value greater than 1.96. In hypothesis testing, it can be said to be significant when the t-statistic value is greater than 1.96, whereas if the t-statistic value is less than 1.96 then it is considered insignificant. The results of the calculation of the significance of each relationship between variables are presented in Table 6.

Table 6
Direct effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Market Orientation -> Innovation	0.349	0.352	0.070	4.993	0.000
Technology Orientation -> Innovation	0.261	0.263	0.065	3.998	0.000
Innovation -> Marketing Performance	0.461	0.467	0.066	6.995	0.000
Market Orientation -> Marketing Performance	0.206	0.193	0.082	2.521	0.012
Technology Orientation -> Marketing Performance	0.163	0.171	0.080	2.037	0.042

Primary Data, 2022

The effect of market orientation on innovation

The results of the analysis of the influence of market orientation on innovation show a coefficient value of 0.349 (positive); and the p-value of 0.000 is less than the alpha value of 0.05 (p-value $0.000 < 0.05$) which means that it has a significant effect. This shows that market orientation has a positive and significant effect on innovation. Based on these results, hypothesis 1 which states that market orientation has a positive and significant effect on innovation is accepted.

The effect of technology orientation on innovation

The results of the analysis of the influence of technology orientation on innovation show a coefficient value of 0.261 (positive); and the p-value of 0.000 is less than the alpha value of 0.05 (p-value $0.000 < 0.05$) which means that it has a significant effect. This shows that the technology orientation has a positive and significant impact on innovation. Based on these results, hypothesis 2 which states that technology orientation has a positive and significant effect on innovation is accepted.

The effect of innovation on marketing performance

The results of the analysis of the influence of innovation on marketing performance show a coefficient value of 0.461 (positive); and the p-value of 0.000 is less than the alpha value of 0.05 (p-value $0.000 < 0.05$) which means that it has a significant effect. This shows that innovation has a positive and significant effect on marketing performance. Based

on these results, hypothesis 3 which states that innovation has a positive and significant effect on marketing performance is acceptable.

The effect of market orientation on marketing performance

The results of the analysis of the influence of market orientation on marketing performance show a coefficient value of 0.206 (positive); and a p-value of 0.012 which is less than an alpha value of 0.05 (p-value 0.012 <0.05) has a significant effect. This shows that market orientation has a positive and significant effect on marketing performance. Based on these results, hypothesis 4 which states that market orientation has a positive and significant effect on marketing performance is accepted.

The effect of technology orientation on marketing performance

The results of the analysis of the influence of technology orientation on marketing performance show a coefficient value of 0.163 (positive); the t-statistic value of 2.037 is greater than 1.96 and the p-value of 0.042 is less than the alpha value of 0.05 (p-value 0.042 <0.05) has a significant effect. This shows that the technology orientation has a positive and significant effect on marketing performance. Based on these results, hypothesis 5 which states that technology orientation has a positive and significant effect on marketing performance is accepted.

Mediate variables

Examination of mediating variables in this study will examine the mediating role of innovation on the indirect effect of market orientation and technology orientation on marketing performance. The examination of the indirect effect in this study can be seen in the explanation of the results of the analysis in Table 7 as follows.

Table 7
Indirect effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Market Orientation -> Innovation -> Marketing Performance	0.161	0.164	0.039	4.137	0.000
Technology Orientation -> Innovation -> Marketing Performance	0.120	0.123	0.035	3.456	0.001

Primary Data, 2022

Then, the direct and indirect effects, as well as their total effects, have been described in Table 8, as follows.

Table 8
Direct, indirect, and total effects

Variables	Direct Effect	Indirect Effect	Total Effect
X1 → M	0.349	-	0,349
X1 → Y	0.206	0.161	0,367
X2 → M	0.261	-	0,261
X2 → Y	0.163	0.120	0,283

Primary Data, 2022

The role of innovation mediates the effect of market orientation on marketing performance

The results of the analysis of the indirect effect of market orientation on marketing performance through innovation show a coefficient value of 0.161 (positive); p-value of 0.000 is less than the alpha value of 0.05 (p-value 0.000 <0.05) has a significant effect. This shows the results that the mediating role of innovation between market orientation and marketing performance occurs partially (partial mediation), that innovation can increase the total effect of market orientation on marketing performance (from 0.206 to 0.367).

The role of innovation mediates the effect of technology orientation on marketing performance

The results of the analysis of the indirect effect of market orientation on marketing performance through innovation show a coefficient value of 0.120 (positive); the t-statistic value of 3.456 is greater than 1.96 which means that it has a significant effect and the p-value of 0.001 is less than the alpha value of 0.05 (p-value 0.001 <0.05). This shows the results that the mediating role of innovation between technology orientation and marketing performance occurs partially (partial mediation), that innovation can increase the total effect of market orientation on marketing performance (from 0.163 to 0.283).

Conclusion

Market orientation has a positive and significant influence on innovation. Technology orientation has a positive and significant impact on innovation. Innovation has a positive and significant influence on marketing performance. Market orientation has a positive and significant effect on marketing performance. Technology orientation has a positive and significant effect on marketing performance. Innovation is able to partially mediate market orientation towards marketing performance. Innovation is able to partially mediate technology orientation on marketing performance.

From the results of the research that has been done, underlining the roles of each variable such as market orientation, technology orientation, innovation to marketing performance, shows positive and significant results. From these results, it becomes an illustration of how important it is to pay attention to the dimensions of market orientation such as customer orientation, competitor orientation, and inter-functional coordination to improve marketing performance. As a Reseller of Baked Candlenut Oil as well as a business owner, it is important to continue to conduct simple surveys to end-level consumers, trying to interact to find out their needs and demands. Likewise, in paying attention to competitors with the hope that in the future, resellers are able to actively create programs that are no less competitive than competitors, thus helping resellers increase their sales. No less important, coordination between teams, where resellers can regularly maintain communication with their teams, provide product knowledge, communicate marketing programs so that they can be perfectly absorbed by all team members. Of course, when maintaining this good relationship, it becomes new energy for the team to continue to be passionate about building its customer base and having an impact on sales.

Efforts that can also be made are how resellers as a business entity also continue to study the latest social media platforms, so that the products being traded remain present in the community. From the results of the research conducted, that technology orientation has another important role besides market orientation to study the behavior of today's society, study the platforms they usually use, so that the public, both customers and potential customers, remain aware of the existence of the product. Then regarding innovation, as a reseller to always strive to bring new innovations, so that customers are not bored with monotonous programs and innovations. As is the case with presenting a bundling package with the aim of increasing sales. As a reseller who already has a team, they can provide workshops/training on how to make a bundling package in the form of a giftset, with their own creations to support future sales.

References

- Alwi, T., & Handayani, E. (2018). Keunggulan bersaing ukm yang dipengaruhi oleh orientasi pasar dan inovasi produk. *Jurnal Pengembangan Wiraswasta*, 20(3), 193-202.
- Amin, M., Sudarwati, S., & Maryam, S. (2019). Analisis Pengaruh Inovasi Produk, Orientasi Pasar, Keunggulan Bersaing Terhadap Kinerja Pemasaran Di Sentra Industri Mebel Desa Sembungan. *Jurnal Ilmiah Edunomika*, 3(02).
- Amin, M., Thurasamy, R., Aldakhil, A. M., & Kaswuri, A. H. B. (2016). The effect of market orientation as a mediating variable in the relationship between entrepreneurial orientation and SMEs performance. *Nankai*

Business Review International.

- Asashi, T., & Sukaatmadja, I. P. G. (2017). Peran inovasi produk dalam memediasi pengaruh orientasi pasar terhadap kinerja pemasaran. *E-Jurnal Manajemen Universitas Udayana*, 6(4), 1816-1845.
- Boso, N., Story, V. M., & Cadogan, J. W. (2013). Entrepreneurial orientation, market orientation, network ties, and performance: Study of entrepreneurial firms in a developing economy. *Journal of business Venturing*, 28(6), 708-727. <https://doi.org/10.1016/j.jbusvent.2013.04.001>
- Brem, A., & Voigt, K. I. (2009). Integration of market pull and technology push in the corporate front end and innovation management—Insights from the German software industry. *Technovation*, 29(5), 351-367. <https://doi.org/10.1016/j.technovation.2008.06.003>
- Buli, B. M. (2017). Entrepreneurial orientation, market orientation and performance of SMEs in the manufacturing industry: Evidence from Ethiopian enterprises. *Management Research Review*.
- Chi, N. T. K. (2021). Innovation capability: the impact of e-CRM and COVID-19 risk perception. *Technology in Society*, 67, 101725. <https://doi.org/10.1016/j.techsoc.2021.101725>
- Gotteland, D., Shock, J., & Sarin, S. (2020). Strategic orientations, marketing proactivity and firm market performance. *Industrial Marketing Management*, 91, 610-620. <https://doi.org/10.1016/j.indmarman.2020.03.012>
- Gruber-Muecke, T., & Hofer, K. M. (2015). Market orientation, entrepreneurial orientation and performance in emerging markets. *International Journal of Emerging Markets*.
- Huhtala, J. P., Sihvonen, A., Frösén, J., Jaakkola, M., & Tikkanen, H. (2014). Market orientation, innovation capability and business performance: Insights from the global financial crisis. *Baltic Journal of Management*.
- Hult, G. T. M., Hurley, R. F., & Knight, G. A. (2004). Innovativeness: Its antecedents and impact on business performance. *Industrial marketing management*, 33(5), 429-438. <https://doi.org/10.1016/j.indmarman.2003.08.015>
- Igweh, F., & Stephen, A. (2019). Effect of entrepreneurial roles on performance of smes: the nigeria human resource perspective. *International Journal of Business, Economics & Management*, 3(1), 22-29. <https://doi.org/10.31295/ijbem.v3n1.106>
- İpek, İ., & Bıçakcıoğlu-Peynirci, N. (2020). Export market orientation: An integrative review and directions for future research. *International Business Review*, 29(4), 101659. <https://doi.org/10.1016/j.ibusrev.2019.101659>
- Jiménez-Jiménez, D., & Sanz-Valle, R. (2011). Innovation, organizational learning, and performance. *Journal of business research*, 64(4), 408-417. <https://doi.org/10.1016/j.jbusres.2010.09.010>
- Kumar, V., Jones, E., Venkatesan, R., & Leone, R. P. (2011). Is market orientation a source of sustainable competitive advantage or simply the cost of competing?. *Journal of marketing*, 75(1), 16-30.
- Lin, C. H., Peng, C. H., & Kao, D. T. (2008). The innovativeness effect of market orientation and learning orientation on business performance. *International journal of manpower*, 29(8), 752-772.
- McDermott, C. M., & Prajogo, D. I. (2012). Service innovation and performance in SMEs. *International Journal of Operations & Production Management*.
- Mulyani, I. T., & Mudiantono, M. (2015). *Upaya meningkatkan kinerja pemasaran melalui orientasi pasar dan orientasi kewirausahaan dengan inovasi sebagai variabel intervening (studi empiris pada Usaha Mikro Kecil dan Menengah Kota Semarang)* (Doctoral dissertation, Fakultas Ekonomika dan Bisnis).
- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of marketing*, 54(4), 20-35.
- Ndubisi, N. O., & Iftikhar, K. (2012). Relationship between entrepreneurship, innovation and performance: Comparing small and medium-size enterprises. *Journal of Research in Marketing and entrepreneurship*.
- Reken, F., Modding, B., & Dewi, R. (2020). Pengaruh Pemasaran Digital Terhadap Peningkatan Volume Penjualan Pada Ciputra Tallasa Jo Makassar. *Tata Kelola*, 7(2), 142-153.
- Sidiq, A., & Astutik, E. P. (2017). Analisis Kapabilitas Teknologi Informasi Terhadap Kinerja Bisnis Ukm Dengan Orientasi Pelanggan Sebagai Variabel Intervening (Studi pada UKM Sektor Manufaktur di Wilayah Solo Raya). *Media Ekonomi Dan Manajemen*, 32(1).
- Silalahi, A. P. B., & Tresani, N. (2021). Pengaruh Kinerja Teknologi Informasi dan Inovasi Teknologi terhadap Keunggulan Daya Saing Berkelanjutan (Studi Kasus PT Total Bangun Persada, Tbk). *Jurnal Manajemen Bisnis dan Kewirausahaan*, 5(2), 195-200.
- Wahyono & Hutahayan, B. (2021). The relationships between market orientation, learning orientation, financial literacy, on the knowledge competence, innovation, and performance of small and medium textile industries in Java and Bali. *Asia Pacific Management Review*, 26(1), 39-46. <https://doi.org/10.1016/j.apmr.2020.07.001>
- Wahyudiono, W. (2010). Pengaruh Orientasi Pelanggan dan Orientasi Pesaing Terhadap Inovasi Pasar dan Pertumbuhan Penjualan Perusahaan Makanan di Surabaya. *EKUITAS (Jurnal Ekonomi dan Keuangan)*, 14(3), 271-287.

- Wang, C. H., Chen, K. Y., & Chen, S. C. (2012). Total quality management, market orientation and hotel performance: The moderating effects of external environmental factors. *International journal of hospitality management*, 31(1), 119-129. <https://doi.org/10.1016/j.ijhm.2011.03.013>
- Widiarta, P. G. K., Mahardika, I. P. D., Nugraha, N. A. S., Tintara, I. D. G. W., & Yasa, N. N. K. (2020). Peran Inovasi Produk Memediasi Orientasi Teknologi Terhadap Keunggulan Bersaing. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 2, 199.
- Yoganathan, D., Jebarajakirthy, C., & Thaichon, P. (2015). The influence of relationship marketing orientation on brand equity in banks. *Journal of Retailing and Consumer Services*, 26, 14-22. <https://doi.org/10.1016/j.jretconser.2015.05.006>
- Zulfa, M., & Umam, C. (2018). Model Peningkatan Inovasi Berbasis Orientasi Pasar, Knowledge Sharing Dan Orientasi Pembelajaran Terhadap Kinerja Bisnis. *Jurnal Ekonomi dan Bisnis*, 19(2), 171-184.