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## Effect Of Marketing Mix And Market Orientation On The Marketing Performance Of Pia Japanan Cake Business

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### Abstract

*Performance Marketing is an important aspect in every company in order to maintain and maintain the company's survival and business development. Situation and condition current economic produce both products and services. This marketing performance is a concept to measure market performance of products, such as high market share and high marketing profitability, which are used as a reflection of the success of its business in the competitive business world. It is difficult for traders to understand market orientation, besides that, the completeness of the product is also an obstacle for traders in increasing marketing performance, the lack of effectiveness of distribution channels is also a factor inhibiting the marketing performance of traders, so the government needs to provide some kind of education and training for traders who are included in these MSMEs. The problem in this study is how the influence of the promotion mix and market orientation on marketing performance of Micro, Small and Medium Enterprises of Pia Japanan Cake Business The independent variables in this study are Marketing mix and market orientation and the dependent variable is marketing performance. The analysis model used is multiple linear regression analysis. The number of samples in this study were 184 respondents. The sampling technique uses a census. Based on the results of the study, it can be concluded that there is a significant influence of Marketing mix and market orientation variables on the marketing performance of MSMEs Pia Japanan Cake Business Marketing mix variables, market orientation and marketing performance have a strong relationship with the contribution of Marketing mix and market orientation to marketing performance which is also quite high that is equal to 82,2%, while the remaining 17.8% is determined by other factors outside the model.*

**Keywords:** Marketing Mix, Market Orientation, Marketing Performance, MSMEs

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## INTRODUCTION

The role of micro, small and medium enterprises (SMEs) is crucial to accelerating the country's economic growth (Kristiyaanti M, 2012; Sofyan, 2017; Tambunan, 2020). Various studies have been conducted on the role and performance of SMEs, especially their contribution to the vitalization of national and local economies. Impact analysis is required to provide feedback to improve the company's role and position (Armstrong, 2017). In recent decades, the role of SMEs has been seen as strategic, but the competitiveness of SMEs and the growth of domestic production are generally considered not to be maximized. This can be caused by various limitations and barriers that need to be addressed, especially related to finance, production technology, marketing, access to skills and knowledge. As you know, the ASEAN region is entering an era of free trade, but entering the export market is not easy for SMEs. Therefore, to improve SME performance (Munizu, 2010., Kusumawardhani et al., 2015; Prasetyo, 2020) and competitiveness (Aldaba, 2012; Kurdi & Firmansyah, 2020b; Shrotriya & Dhir, 2018) need government support. Some of the reasons for the poor performance of SMEs are that the majority of SMEs still use traditional technology, low market share, and administrative requirements to obtain support from banks. inability to meet and overall high government dependence (Ardiana et al., 2010). . Analyzing the impact of different variables on small business performance is very important. The problems facing

SMEs today are human resources (Ardiana et al., 2010; Maheshwari et al., 2020; Widjaja et al., 2021) and marketing (Syaifullah et al., 2021; Watini et al., 2022). )

This marketing performance is a concept that measures product marketing performance such as high sales volume, high market share and high marketing profitability, which is used as a reflection of business success in a competitive business world. It is difficult for entrepreneurs to understand market orientation, apart from that product perfection is also an obstacle for traders to improve their marketing performance, the ineffectiveness of sales channels is also a factor inhibiting merchants' marketing performance, so the government must provide a kind of training offer to traders in these SMEs.

Micro, small and medium enterprises (MSMEs) are an important part of the country's economy, although there are not many in terms of economic size, the number of SMEs is very large and dominant, and the contributions made so far have been both. This important role has encouraged many countries, including Indonesia, to continue to work on the development of SMEs. There are three reasons why developing countries consider the existence of SMEs important: First, SMEs generally perform better in producing a productive workforce. Second, as part of their dynamism, SMEs often achieve higher productivity through investment and technological change. Third, because it is often assumed that SMEs have an advantage over large companies in terms of flexibility. The problem that is often faced by SMEs so far is the problem of capital, most of which come from their own capital.

The Pia Japanan Cake business is one of the most advanced MSMEs in the Pasuruan Regency area besides the very well-known klepon and salted egg businesses in Pasuruan which are shopping centers or souvenir centers. However, to support the progress of IKM Pia Kejapanan Cake, organizational performance is needed to support the achievement of strategic planning at IKM Kue Pia Japanan. Performance as an illustration of the level of achievement of the implementation of an activity or program or policy in realizing the goals, objectives, vision and mission of the organization contained in the strategic planning of an organization, this means that, the performance of an organization can be seen from the level to which the organization it can achieve goals based on pre-set goals.

Based on Pia's sales data, it can be seen that the turnover of Pia's house in the largest amount is Rp. 134,062,500 per month, only 2 (two) MSME places, namely Pia Mahen and Crepes Houses, while 2 IKM get a turnover of Rp. 89,375,000, namely Pia R/B House and Pia Ina House, 23 IKM Pia Houses get a turnover of Rp. 44,687,500 and the remaining 22 IKM Rumah Pia get a turnover of Rp. 22,343,750.

From these data the researcher wanted to analyze the factors that caused Pia's house to get a large turnover so that it could increase turnover like Pia Mahen's and Crepes' houses. Market culture operates primarily by market mechanisms. However, the market mechanism in the current Pandemic conditions has resulted in a small number of orders from celebration events. because of social distancing and keeping a distance at the time of the celebration so that not a few people who celebrate do not invite many guests. Culture hierarchical at IKM Pia Mahen it is already good, this can be seen from the organized and regular leadership in giving assignments with kinship or clan. However, there are indications that the total turnover of 48 Pia houses has not met expectations, which can be increased, such as Pia Mahen and Crepes houses.

With the number of MSMEs growing rapidly, the MSME actor must be viable and ready to compete with other MSME actors. Small businesses need to see how their business is performing in order to be competitive and prosperous. Performance is the result of the work done by the company, qualitatively and quantitatively, in carrying out its activities according to the set goals. Performance is the collective result of a person over a period of time in

completing tasks such as given or often agreed criteria, goals, or work criteria. (Wahyudiati & Isroah, 2018) His research found that performance is closely related to strategic goals and organizational customer satisfaction and is the result of work that contributes to the economy.

Competition requires business actors, both small, medium and even large, to always evaluate every activity they carry out. They are required to always innovate, provide products that are always liked by the public or customers. If not, then business actors must be prepared to be abandoned by customers and switch to competing products. Every company has the potential to lose customers. This phenomenon occurs because today's customers are offered many choices, which they can immediately switch to if the product is no longer acceptable to customers. Performance is one of the requirements in achieving business goals. Achievement of goals is obtained from the efforts of business actors in managing the business properly based on the right marketing mix strategy so that performance is achieved or even increased. Business management carried out by business actors is reflected in the resulting performance and achievement of objectives. Therefore, marketing mix is very important for the business actors in achieving goals business, because it will reflect performance business as a whole. Baker and Singkula (1999) suggest that the role of market orientation and learning orientation is a series that will increase the strength and performance of innovative products such as collecting market information, disseminating market information, innovation and marketing performance. According to Slater and Narver (1995) market orientation is a dimensional aspect of organizational culture and the nature of learning orientation and more research to understand the norms of values that can sustain both and organizational learning. Ferdinand (2019) views marketing and market orientation as one of the centers of attention of marketing management to articulate the developed strategy. Pelhan (1997) states that a market-oriented company is a company that develops a better understanding throughout the organization of consumer needs [6] . So as to create customer value, develop a better understanding of the strengths and weaknesses of competitors so as to create a market strategy. Pelhan (1997) also provides three dimensions of market-oriented companies, namely: (a) consumer desires, (b) customer satisfaction and (c) competitors. In this study the dimensions of market orientation that will be used refer to Slater and Narver (1995) research (ie customer orientation, competitor orientation and coordination between functions).

In addition, a market-oriented company will follow any changes that occur in the market. Market orientation in this study is measured by indicators of customer orientation and competitive orientation. Customer-oriented company, will be sensitive to customer desires. Research conducted by Suprpto (2007) found that market orientation has an effect on marketing performance. Market orientation is very important for companies. Market-oriented There are many Pia Japanan Cake Business SMEs in Pasuruan Regency. They determine the segments to be marketed. The Pia Japanan Cake Business Association stated that currently the Pia Japanan Cake Business SMEs compete healthily. UMKM Pia Japanan Cake Business has a good relationship, supports each other and provides assistance. Based on the description above, it can be assumed that market orientation has a positive effect on marketing performance. The existence of fundamental changes in marketing mix and market orientation has an impact on the stability of MSMEs Performance, especially Japanan Cake Business SMEs. Seeing this phenomenon that occurs, the researcher wants to research the topic "Effect Of Marketing Mix And Market Orientation On The Marketing Performance Of Pia Japanan Cake Business "

## RESEARCH METHODS

This research is included in the type of survey research, namely. research that uses a population with a questionnaire as the main tool for data collection, research that uses explanatory research, namely to find out whether a variable is related to other variables or not, variable. caused by other variables whether it has an effect or not.

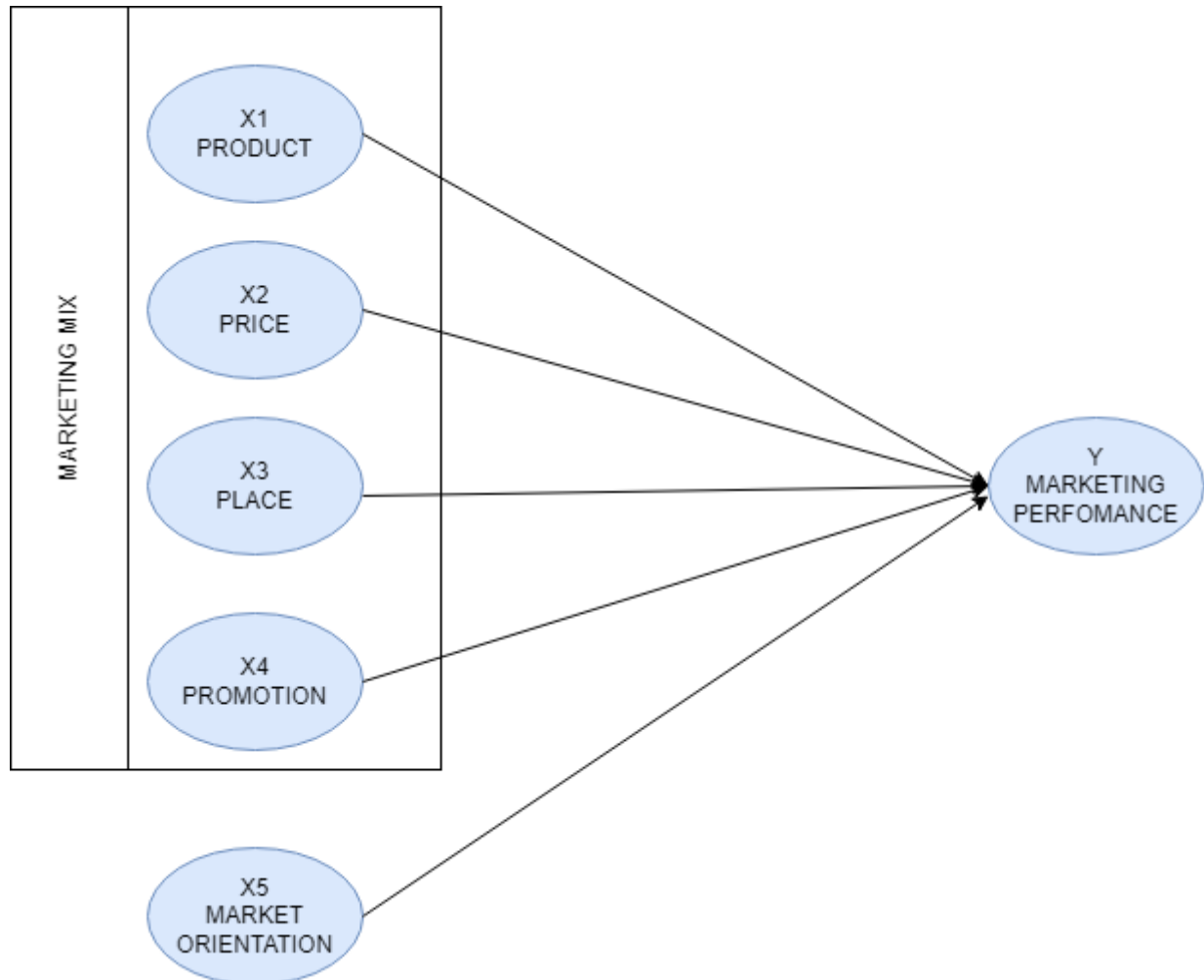
Participants in this study were all entrepreneur of Pia Japanan Cake Business in Pasuruan Regency, East Java, totaling 184 respondents. The sample for this study was entrepreneur of Pia Japanan Cake Business actors in the sub-district, totaling 184 entrepreneurs, whose sampling method was a census.

The data collection technique used is a questionnaire. Survey responses are presented on a Likert scale with a choice of 5. The highest score indicates the observation strongly agrees, the lowest value indicates strongly disagree. The validity and reliability of the results of the data table tested.

According to Effendy (2019:85), the marketing mix can be defined as follows: Product is something that can be offered to a market or business to be purchased, used or consumed to satisfy a want or need. Product is the combination of goods and services that a business offers to consumers. Price is the amount of money that must be paid by consumers for the desired product or service. Price is the only element in the marketing mix that generates revenue while the other elements generate costs. Therefore, price is very important because it determines the profit and survival of a business. Product price flexibility also affects demand and sales. Prizes are units of money or other measures (including other goods and services) that are exchanged for the right to own or use goods or services. Price is a component that directly affects a company's bottom line. The price level set affects the quantity sold. In addition, prices indirectly affect costs because the quantity sold affects costs relative to production efficiency. According to Pepadri and Sitinjak (2020), there are four indicators that can be used to measure the price of a product, namely: 1) Price references, 2) Relatively cheap prices, 3) Fair prices, and 4) Reasonable sacrifices and prices commensurate with the benefits. Location / Place or marketing channel is one of the keys to success. Marketing channels include all company activities that provide products or services to target customers in selected locations throughout the community. This decision depends heavily on growth opportunities and economic stability, competition, political climate, etc. Location affects purchasing decisions, with the right location, the store is more successful than stores that are less strategically located, even though both sell the same product. Promotion means conveying products and inviting customers to buy products or services. The company's efforts to influence potential buyers through acquisition (persuasive communication) by using all marketing reference elements is known as advertising. For producers, advertising is an activity that informs about products, encourages consumers to buy and reminds them to remember these products, while for consumers, advertising is communication between producers or retailers and consumers.

Market orientation by Johnson, Jean L and Wiboon Arunthaness (1995), really requires a complete understanding of consumer desires in order to be able to provide added value to the products offered to consumers orientation includes three activities namely (a) obtaining information from customers, (b) disseminating information, and (c) implementation. At the stage of obtaining information, a customer-oriented company obtains correct and clear information regarding customers. This information is used to understand customer needs and the values that become customer expectations. The next stage is the information dissemination stage, it is hoped that the information obtained will be distributed to all divisions in the company. Information dissemination is intended so that all divisions in the company

understand the needs desired by customers. At the implementation stage is a follow-up of the dissemination of information. In the implementation phase, the company reviews its products by making quality improvements according to consumer wishes. Indicators to measure market orientation variables are customer orientation and competitor orientation.



**Figure 1. Conceptual Frameworks**

From the research framework above, the following hypotheses can be drawn;

- H1: Product Influences toward MSME Marketing Performance
- H2: Price Influences toward MSME Marketing Performance
- H3: Place Influences toward MSME Marketing Performance
- H4: Promotion Influences toward MSME Marketing Performance
- H5: Market Orientation toward MSME Marketing Performance
- H6: Marketing Mix And Market Orientation toward MSME Marketing Performance

## RESULT AND DISCUSSION

The characteristics of the respondents who took part in the study were age, gender and education. The majority of respondents were over 35 years old, 97% female, and 89% SMA/equivalent.

Table 1  
 Results of Multiple Regression Analysis  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	75.573	5.929		12.745	.000
	Product	.788	.068	.086	1.163	.002
	Price	.753	.044	.129	1.707	.009
	Place	.531	.044	.533	.715	.005
	Promotion	.433	.048	.516	.688	.000
	Market Orientation	.818	.047	.676	1.898	.001

a. Dependent Variable: Marketing Performance

From the results of the data processing above, a simple linear regression equation can be made as follows:  $Y = 75.573 + 0.788X_1 + 0.753X_2 + 0.531X_3 + 0.433X_4 + 0.818X_5$

The constant value in the equation is 11.356 where this value means that if the marketing mix and market orientation does not change or has a value of 0 (zero), then the marketing performance is 11.356 units and the promotion mix coefficient. This figure is positive and gives meaning if it is assumed that the marketing mix and market orientation increases by one percent, then marketing performance increases by 0.788 (Product), 0.753(Price), 0.531(Place), 0.433Promotion and 0.818 (market Orientation) and vice versa. From table 1 above we can also declare Hypothesis 1until 5 accepted

Based on Table 1, the significance of the variable of marketing mix and market orientation toward marketing performance (X) is under 0,005. Then there is a significant influence of the marketing mix variable and market orientation on marketing performance, the more the marketing mix variable an market orientation value increases, the marketing performance variable value will also increase. And the results of processing the data from the results of testing the correlation coefficient and determination coefficient can be seen in Table 2.

Table 2  
 Correlation Coefficient (r)  
**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.907 <sup>a</sup>	.822	.876	5.732	.032	14.179	5	178	.003

a. Predictors: (Constant), Market Orientation, Place, Promotion, Product, Price

b. Dependent Variable: Marketing Performance

From Table 2. it can be seen that the Correlation Coefficient (r) is obtained at 0.907 this means that between the promotion mix variables and market orientation there is a strong

relationship to marketing performance. market orientation and marketing performance have a strong relationship with the contribution of Marketing mix and market orientation to marketing performance which is also quite high that is equal to 82,2%, while the remaining 17.8% is determined by other factors outside the model.

Table 3  
Results of Multiple Regression Analisis (F)

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	193.707	5	38.741	14.179	.003 <sup>b</sup>
	Residual	5847.401	178	32.851		
	Total	6041.109	183			

a. Dependent Variable: Marketing Performance

b. Predictors: (Constant), Market Orientation, Place, Promotion, Product, Price

Based on the f test that has been done, it can be seen that the calculated f value is 14.179 with a significance value of 0.003, where  $0.003 < 0.005$ . This shows that marketing mix variables (product, price, place, promotion) and market orientation have a simultaneous effect on marketing performance. Hypothesis 6 accepted

Marketing mix in this case represented by product, price, place and promotion effect on performance marketing Business small industry in Pasuruan district, this shows that there is a unidirectional influence, between mix marketing and performance. Direct influence of the marketing mix Impact performance marketing in product availability, pricing, promotion, and distribution. Products are important things that must be considered by small industries, such as quality, shape, durability, as well as prices that must be in line with consumer expectations, promotion must be the focus of attention of small industry players. area, distribution must be increased to reach customers, regions to increase sales or target market. Mix Marketing affects performance marketing.

Market orientation has a significant positive effect on marketing performance, meaning that as market orientation increases, marketing performance increases. That is, companies that are sensitive to efforts in the form of strategies oriented to market conditions, consumer demands, customer desires will also be sensitive to the behavior or strategies carried out by their competitors. The current development of the company's marketing is the assumption of sensitivity to competitors. Along with increasing global competition and changes in customer needs where companies realize that they must be close to their markets. Market orientation is also one way to survive in the market. When a company is market oriented, it shows that the company pays attention to its consumers. Companies that cannot satisfy their customers will experience big problems. This problem is due to the impact of complaints from customers being ignored, the company does not respond so that customers are disappointed and switch to other products. The average satisfied customer will tell three people about a good product experience, while the average dissatisfied customer will tell 11 other people about his bad experience.

## CONCLUSION

Based on the results of the analysis and research hypothesis testing that has been done previously, the following conclusions can be drawn from this study:

1. Products have a significant direct effect on marketing performance. This shows that the good quality of the production of the Pia Japanan Cake Business will directly improve marketing performance. The results also show that there is an indirect effect of the product on marketing performance through competitive advantage.
2. Price has a positive and significant effect on marketing performance directly. This shows that marketing performance is directly proportional to price, where marketing performance will increase with the strategy of Pia Japanan Cake Business directly. The research results also show that there is a direct effect of price on marketing performance.
3. Place has a positive and significant effect on marketing performance directly. This shows that in this study, marketing performance is directly proportional to place. The results also show that there is a significant direct effect of Place on marketing performance.
4. Promotion has a significant effect on marketing performance directly. This shows that the promotion carried out Pia Japanan Cake Business will directly improve marketing performance. The research results also show that there is a direct effect of promotion on marketing performance.
5. Market orientation has a significant effect on marketing performance directly. This shows that the market orientation that has been carried out directly improves marketing performance. The results also show that there is an indirect effect of market orientation on marketing performance.

Of the five variables that are hypothesized to have an effect on marketing performance in this study, the largest is the direct link between market orientation, product and price of the marketing mix. This confirms that market orientation and product and price of the marketing mix is very dominant in influencing marketing performance.

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