

The Effect Of Promotional Strategy, Entrepreneurship, On Marketing Performance With Competitive Advantage As Variable Intervening

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Abstract

The purpose of this study is how to determine the performance of entrepreneurial marketing and how to use competitive advantage as an intervention variable with the influence of pro strategies. The population of this study were 221 participants of Ulos cloth SMEs assisted by MSMEs and the North Sumatra Cooperative Service. The research method used is path analysis using the SPSS program. The results showed that the promotion strategy and entrepreneurial thinking had a positive and significant effect on marketing performance, and with competitive advantage as an intervention variable, promotion strategy and entrepreneurial thinking have a significant positive effect on entrepreneurial marketing performance.

Keyword: Business Strategy, entrepreneurship, Marketing Performance, Competitive Advantage.

INTRODUCTION

Ambient business affects enormous needs of people, so it can change huge requirements and provide what SMEs have to offer. As in the case of law and economics, the higher the demand for goods and services, the higher the supply. By maintaining the competitive advantage of SMEs and cooperatives, the company's strategy in responding to changes and economic realities becomes important in supporting the backbone of the economy. Indonesia's economic growth has become an important business with the existence of the SME Sector. The economy in SMEs is quite high. To encourage the development of Indonesian SMEs, SMEs need to improve in all aspects, have a competitive advantage and begin to maintain and improve their marketing performance. Companies need to understand and always understand what is happening in the

market, consumer needs, and various changes in the business environment to compete with others. Weaknesses: Companies need and maximize their strengths.

The development of a competitive advantage is very important because it can be one of the competitive strategies in domestic and foreign markets. Meanwhile, according to (Porter, 2011), Strategies to address entrepreneur/partner competency challenges through analysis of external media, internal company, business area management, implementation of company plans and objectives, assessment of key areas and types of feedback. (Kraus et al., 2010) unique methods as marketing. From 2016 to 2020 in field interviews, the process of Ulos production costs for the last 5 years has decreased, not the annual production costs but the products produced are less and

reflecting Ulos Fabric SMEs, under the direction of North Sumatra SMEs and North Sumatra Cooperatives, craftsmen supported by SMEs and the North Sumatra Cooperative cannot compete with other types of products.

REVIEW OF LITERATURE

Marketing Performance

According to (Miles & Darroch, 2006), Companies must adopt entrepreneurial marketing involved in the marketing process that emphasizes opportunity creation and discovery, evaluation, and exploitation. (Stokes, 2000), The concept of entrepreneurial marketing focuses on developing innovation and developing ideas according to the market. The key to survival is considered to be growth, and the success of the marketing business at large. (Morrish et al., 2010) Identify and proactively exploit opportunities to acquire and retain profitable customers through innovative approaches to risk management, asset development and value creation.

Performance is the result obtained from all activities related to the system. Almost all methods of measuring performance take into account workload, quality of work, punctuality, collaboration, and personal characteristics. Craftsmanship is the success of craftsmanship (Sitohang, 2010). Measurement is defined as the process of measuring the efficiency and effectiveness of an action. Performance measurement can also measure the level of input, output, or activity of an event or process (Radnor, 2010). According to (Ferdinand, 2003), marketing performance is what a company wants to achieve.

In short, a company can increase its market share and profitability. Marketing performance is used to measure overall performance, such as B. successful implementation of strategy or sales growth. Corporate profits, etc.

Business Strategy

According to (Wheelen & Hunger, 2010), strategy is a pre-operational goal that generalizes a company's vision and assignment. Strategy starts with the concept of how to effectively deploy and utilize company resources in the company's changing external and internal environment. Companies are usually organizational units with different business strategies and managers responsible for sales and profits, (Aaker, 1989). A corporation's company strategy is a conscious decision to create unique value to carry out core activities and support the value chain. This enables companies to identify business strategies incorporated into their business activities (Aaker, 1989); (Wheelen & Hunger, 2010).

Competitive Advantage

Competitiveness is the dominant ability of a business unit to build a competitive advantage over its competitors. This is often the case when it comes to the internal possibilities of external existence (Andrevski, 2009). Competitive use is a waste of money, and the company is the only helper in the field of medicine and welfare. (Tampi, 2016) encourages companies to develop competitive strategies based on competitive strategies. Competitiveness is the ability to compete with competitors in a competitive field. The competitiveness of business entities is very beneficial for both parties and has the potential for greater economic benefits. The industrial market competes with competitors.

A business entity with a competitive advantage always understands the changing market structure and can choose effective marketing strategies. Robert et al. people. (2015) state that competitive advantage is a condition for two business actors to compete (in the same market and customers), one of which has a competitive advantage over the other.

Entrepreneurship

According to Suryana (2013), Entrepreneurship is the study of an individual's values, abilities, and behaviors in the face of life's challenges and how to take advantage of the various risks they may face. Entrepreneurship itself is not only a way of maintaining a business in the short term but a way of maintaining a business or business in general in the long term.

For example, there are enormous opportunities for successful business players in the business world due to the innovative and creative abilities of entrepreneurs. With this feature, business actors can add value to the goods or services produced. As Peter F. said in Suryana (2013), he defines entrepreneurship as creating new and different things. Entrepreneurship can also be interpreted as an entrepreneur who runs a business or business orientation. Entrepreneurs themselves do new companies in the face of risk and uncertainty, intending to exploit them for profit and growth by identifying opportunities and combining the

necessary resources. ((Thomas et al., 2013): in Mulyani 2015).

RESEARCH METHODOLOGY

This study is quantitative. argues that quantitative research methods begin with research design until it is established, standardized, systematized, planned, and organized. (Yani et al., 2011) defines an associational explanatory study as a study that aims to explain the location of variables and the relationship between one variable and another. (Sugiyono, 2013) argues that many objects or subjects consist of objects or subjects with specific attributes and characteristics that have been identified and grouped by researchers. The community for this study was Urspo UKM participants supported by the UKM and Cooperatives Department in North Sumatra. The sample population includes 221 individuals spread across the region. Variable measurement techniques using a five-scale Likert scale. The analytical method used in this study was path analysis using the SPSS program.

RESULTS AND DISCUSSION

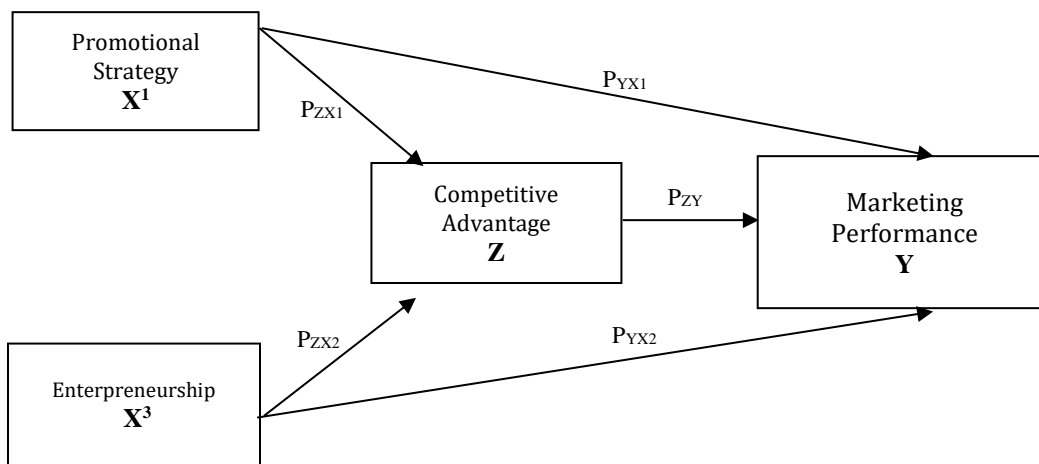


Figure Path diagram

The structural equations in this study are:
 $Z = P_z X_1 + P_z X_2 + e_1$ (as substructure equation 1)

$Y = P_Y X_1 + P_Y X_2 + P_{ZY} + e_2$ (as a substructure equation 2)

Description:
 X₁ = Promotional Strategy
 X₂ = Entrepreneurship

Z = Competitive Advantage
 Y = Marketing Performance
 P_Z = regression path coefficient to Competitive Advantage
 P_Y = regression path coefficient to Entrepreneurial Marketing Performance

e1 = residual 1
 e2 = residual 2

Results of sub-structure regression I:

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|----------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | -.828 | .656 | | -1.262 | .208 |
| Promotional Strategy | .197 | .030 | .203 | 6.599 | .000 |
| Entrepreneurship | .639 | .036 | .697 | 17,675 | .000 |

a. Dependent Variable: Competitive Advantage

From the table above, by looking at the beta of the standardized coefficients, the regression model for substructure I can be made as follows:

$$Z = 0.203X_1 + 0.697 X_2$$

Based on the regression model for sub-structure I, it can be explained that :

1. The effect of Promotional Strategy on Competitive Advantage is positive with an

influence value of 0.203, which means that if Promotional Strategy increases by 1 unit, Competitive Advantage will increase by 0.203.

2. The influence of Entrepreneurship on Competitive Advantage is positive with an influence value of 0.697, which means that if Entrepreneurship increases by 1 unit, Competitive Advantage will increase by 0.697.

The results of sub-structure regression 2:

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------|-----------------------------|------------|---------------------------|-------------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 1.424 | .822 | | Promotional | .085 |
| Strategy | .079 | .036 | .063 | 2,200 | .029 |
| Entrepreneurship | .296 | .063 | 4.719 | .468 | .000 |
| Competitive Advantage | .050 | .307 | 9,359 | .000 | .256 |

a. Dependent Variable: Marketing Performance

From the table above, by looking at the beta of the standardized coefficients, the regression model for substructure 2 can be made as follows:

$$Y = 0.063X_1 + 0.256X_2 + 0.388Z$$

Based on the regression model for sub-structure 2 , then it can be explained that:

1. Effect of Promotional Strategy on marketing performance is positive with an influence

value of 0.063, which means that if the Promotional Strategy increases by 1 unit, then the marketing performance will increase by 0.063.

2. The influence of Entrepreneurship on marketing performance is positive with an influence value of 0.256, which means that if Entrepreneurship increases by 1 unit, then marketing performance will increase by 0.256.
3. The effect of Competitive Advantage on marketing performance is positive with an influence value of 0.388, which means that if Competitive Advantage increases by 1 unit, marketing performance will increase by 0.388.

The mediation hypothesis can be tested using a procedure developed by Sobel's test. Sobel's test is to resolve whether a connection can significantly be a mediator in a relationship through a mediating variable. The Sobel test is conducted by analyzing the power of the indirect effect of the independent variable (X) on the dependent variable (Y) through the intermediate variable (Z). As for the Sobel test value of the Promotional Strategy variable 4.25 and the Entrepreneurship variable 5.25. Both variables have a Sobel test value > 1.96 , which means that both variables have a positive and significant impact on marketing performance through Competitive Advantage.

The Effect of Promotional Strategy on Marketing Performance Through Competitive Advantage

The results of the study prove that promotional strategy has a positive and significant effect on marketing performance through Competitive Advantage. The results of the study support previous research conducted by (Yasa et al., 2020) and (Cui et al., 2016).

The level of business competition is getting higher, causing some businesses to apply

several strategies for their existence and continuity. To launch products more intensively, promotional strategies are needed to make the market aware of product innovations, such as offering discounts or other promotions through social media. With a good promotional strategy, the product will be easily remembered by the market, more popular, and affect the image or reputation of their business. If the promotion strategy has been carried out properly and intensively, it is expected that the resulting competitive advantage will be higher and this will have an impact on increasing marketing performance (Cui et al., 2016).

The Effect of Entrepreneurship on Marketing Performance Through Competitive Advantage

The results of the study prove that entrepreneurship has a positive and significant effect on marketing performance through Competitive Advantage. The results of the study support previous research conducted by (Zacca et al., 2015), Mort, et.al (2012). As an entrepreneur, business actors must consider market uncertainty as a matter of concern. The rise of entrepreneurial attitudes in the marketing sphere provides the assumption that entrepreneurial attitudes are important in marketing skills in the modern era (Kilenthong et al., 2015), so that small and medium enterprises need to combine conventional marketing with entrepreneurship (Syah, 2016). (Alhnaity et al., 2016) in their research stated that the dimensions of entrepreneurial thinking, namely opportunity, risk-taking, tolerance for ambiguity & creative and innovative, and performance have different effects on marketing performance, however the four dimensions have a significant influence on marketing performance. .

CONCLUSION

Small business marketing performance means SMEs are better off if they can carry out demand

related processes and activities and improve customer satisfaction. Competitive advantage can reduce the impact of a company's strategy on the marketing performance of small businesses. Can explain the results of SME management strategies that increase competitive advantage by creating original products, high-quality effects, and competitive costs that impact SME performance. This study has several limitations. First, the study example cannot generalize the results by targeting only SMEs in a particular region. Second, this study does not assume the position of technology in affecting competitiveness and marketing performance. Therefore, further research is needed to broaden the model's scope and assess the impact of this approach. This study indicates that the marketing strategies developed by SMEs include market orientation, customer orientation, competition, coordination between functional and product development, or innovations. Having the correct position in the market can give you a result and cost-benefit.

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