

Market orientation strategies to improve marketing performance: an in-depth analysis of marketing approaches

Fakhri Naufal Ramadhan^{1*}, Augusty Tae Ferdinand²

¹Department of Management, ²Department of Economic, Faculty of Economics, Universitas Diponegoro

Abstract

The main focus in this study is to use marketing innovation as a mediating variable for the effect of market orientation on marketing performance. This research was analyzed using AMOS 26 on 249 respondents. This model uses 2 additional variables, namely network capability and marketing agility. However, the results show that pro-growth marketing innovation does not show a strong mediating role in this analysis. So that both network capability and marketing agility variables contribute importantly to the development of this marketing.

Keywords:

Market Orientation; Marketing Performance; SMEs.

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*Fakhri Naufal Ramadhan

Email: fakhrinaufalramadhan@gmail.com

INTRODUCTION

Marketing orientation is one of the strategies in marketing that is widely used in various businesses. There are several reasons associated with this, namely: 1. in our business world sometimes to satisfy customers we are confused about how we can find out what customers want or what is needed so that they want to buy these good (Mansouri et al., 2022). . this is where marketing orientation plays a major role to find out information related to customer needs. 3. therefore getting feedback and suggestions from customers is a way that the business owned can be the key for the business to progress (Tuominen et al., 2022).

Several studies that have been conducted have shown a significant effect of market orientation in influencing the improvement of company performance. However, from these findings, inconsistent or incompatible results have been found. Such as research conducted by Tirtayasa, Er and royo-vela related to the relationship between market orientation and company performance. According to Tirtayasa and Rahmadana (2023), unstable economic conditions due to the Covid-19 pandemic have led to changes in consumer behavior and market situations, which have resulted in a decrease in the performance of many coffee

shops. In addition, Er and Mukti (2023) stated that market orientation activities carried out, such as benchmarking or paying attention to competitors, may not have been evaluated regularly so that improvements can be made. According to (Royo-Vela et al., 2022), While there are vertical linkages observed, such as with suppliers and value chain partners, they are not strong enough. This suggests that clusters are still in the consolidation stage, and are not yet able to generate strong enough effects to moderate the relationship between MO and MP.

While several other studies show the opposite results which are contrasting and consistent with these variables. Therefore, this study can answer the gaps that exist in the effect of market orientation on marketing performance in previous studies. MO can identify the conditions needed and become the basis for business development as marketing capabilities and needs-oriented marketing strategies as business opportunities and challenges (Khamaludin et al., 2022). Market orientation focuses on two things, namely customer focus and competitor orientation. Having customer-oriented capabilities positions better to identify existing opportunities (Indriana et al., 2023). provide added value to customers through quality products, good customer service, and satisfying experiences. By focusing on customers and creating positive relationships, companies can build trust and a strong image in the market. This can affect consumer perceptions of brands and products, and have a direct impact on increasing sales and market share (Widayati et al., 2023).

Therefore, this study seeks to bridge the existing gap by applying the concept of pro-growth marketing innovation as a mediation derived from the resource advantage theory of competition (RAToC) to the relationship between market orientation and marketing performance. For several reasons. First, market orientation is the main source of companies in helping to change the trade market to quickly meet customer needs that precede competitors (Shaker et al., 2023). Second, market orientation involves a detailed analysis of understanding market needs that put their position into strategic (Jayaswal & Parida, 2023). Third, customer knowledge as the main source in winning market competition, which encourages companies to stay relevant to the trends that occur (Ng et al., 2024). Thus, RAToC is used as the estuary of a conceptual model that involves several variables such as market orientation, marketing innovation, dynamic capability, marketing agility, and marketing performance.

Therefore, to test this conceptual model on food and beverage MSMEs in Bekasi City. Due to several reasons. First, MSMEs tend to be limited in resources to absorb information on competitors and their customers, thus requiring an appropriate strategy (D'Souza et al., 2021). Second, market dynamics are changing rapidly, the business sector is required to continue to utilize existing resources to excel from its competitors (Kurniawan et al., 2020).

LITERATURE REVIEW

Pro-Growth marketing Innovation

Pro-growth marketing innovation is a strategy that focuses on renewing or developing marketing strategies to create added value for the company better than its competitors. Pro-growth marketing innovation can be a superior resource because it

differentiates products and services from existing competitors by involving creativity and deep market knowledge. Furthermore, it provides a solution to the problems routinely faced by MSME sector companies and paves the way for greater development in the future (Chen et al., 2022). Applying the Resource-Advantage Theory of Competition to pro-growth marketing innovations, it is important to recognize that the uniqueness of innovations becomes a competitive resource for firms to develop more effective solutions. Therefore, by effectively utilizing this advantage, companies can drive sustainable business progress, solidify their position as market leaders, and generate added value for their customers (Hunt & Morgan, 1996).

PGMI opens up opportunities for companies to develop creative and new ideas in an effort to improve marketing performance and achieve growth goals. By focusing on creating additional value for customers, utilizing the latest technology, developing innovative business models, and experimental approaches, companies can effectively utilize PGMI (Getnet et al., 2023). Pro-growth marketing innovation is based on several important elements; Product development and service (Kamel, 2023), Interorganizational collaboration (Li et al., 2023), value creation (Wang et al., 2024). These elements allow companies to present products, and offers that match market needs (Hayaeian et al., 2022).

Relationship between Market orientation and Pro-Growth Marketing Innovation

Market orientation as an asset is an approach that puts the customer at the center of attention. It includes a deep understanding of customer needs, wants, and behaviors, as well as the ability to adapt marketing strategies to changing market dynamics. Companies can identify new opportunities for product and service innovation (Salavou, 2002). Market orientation allows companies to deeply understand market trends and the needs of their customers which are used as the basis for developing new products (Shang et al., 2024).

By deeply understanding customer needs, companies can identify gaps in the market that can be filled with new and innovative products or services (Matekenya & Moyo, 2022). Market orientation allows companies to respond quickly through appropriate product development (Lyu et al., 2023). This will create added value for customers through applied innovation (Prihandono et al., 2022). By focusing on a deep understanding of customer needs, companies can develop solutions that are more relevant and useful to consumers (Nguyen Van et al., 2023). Innovations resulting from a market orientation approach have the potential to create a strong brand position (Asare et al., 2023). Thus, market orientation is not only a lever for marketing innovation, but also an important strategy for creating long-term value for the company (D'souza et al., 2022).

H1: Market orientation has a positive influence on Pro-Growth Marketing Innovation
Market orientation.

The use of resource advantage theory of competition (Ratoc) on market orientation views that comments or suggestions from customers are things that help business development (Hunt & Morgan, 1996). It helps companies can push more competitively

(Atmaja et al., 2024), attract their customers more and absorb information about competitors' products (Talari & Khoshroo, 2023).

By focusing on the market, companies not only gain deep insight into the market, but are also able to respond quickly to changes in consumer behavior (Jena, 2023). Thus, it becomes a strong foundation for creating effective competitive power (Kholaf et al., 2022). Market orientation has several elements; Responsiveness (Miocevic et al., 2023) and customer knowledge (Chiu et al., 2022) which in turn companies will quickly understand and better respond to customer needs and preferences (Tabassum et al., 2023).

Relationship between Pro-Growth Marketing Innovation and Market Performance

Pro-growth marketing innovation can improve the efficiency of using a firm's marketing resources. By adopting innovative approaches, companies can adapt their marketing strategies to changing market trends and avoid saturation in their marketing approaches (Lin & Eng, 2024a). Marketing innovation helps companies adapt to new technological developments, allowing them to reach a wider audience in more effective ways (Oliva et al., 2021). Thus, pro-growth marketing innovation not only adds value to products or services, but also stimulates overall marketing performance by creating flexibility in the firm's marketing strategy (Santos-Vijande et al., 2022).

Pro-growth marketing innovation encourages the creation of effective and efficient strategies (Erhan et al., 2024). This allows companies to quickly achieve better results with available resources. With innovation in marketing, companies can more easily implement new strategies, customize communications with customers, and change marketing tactics according to evolving market needs (Gu et al., 2021). This allows companies to quickly position themselves in a highly competitive market (Lin & Eng, 2024a). By focusing on marketing innovation, companies can create strong competitive differentiation, provide significant market advantages, and increase revenue and profit growth. (Su et al., 2022).

H2: Pro-Growth Marketing Innovation has a positive influence on Marketing performance.

Marketing performance refers to the extent to which firms achieve their marketing goals and objectives, which can be measured through various metrics such as sales, market share, customer growth, and profitability. In the perspective of the resource advantage theory of competition proposed by Hunt and Morgan (1996), marketing performance is linked to how companies can utilize and manage the resources they have to achieve competitive advantage. These resources are utilized to present excellence, creating greater value for customers (Hunt & Morgan, 1996). Marketing performance is characterized by several elements; sales growth (Jablonski et al., 2022), customer growth (Joensuu-Salo et al., 2022). Sales value (Rodriguez et al., 2022). These elements show the company's success in utilizing its resources with the company's ability to manage aimed at winning the competition (Coimbra & Proença, 2023).

Relationship between Network Capability and Marketing agility

With strong networking capabilities, companies can build strategic relationships that facilitate quick access to the latest market information, innovative ideas, and direct customer feedback. Solid relationships with business partners and suppliers also allow companies to make adjustments to marketing strategies more flexibly (Golgeci et al., 2023). For example, if a company has information from its business network that there is a shift in consumer needs or a new technology is trending, they can immediately adjust their marketing campaigns or products to stay relevant in the market (Pratono et al., 2023).

Furthermore, network capabilities also strengthen marketing agility through synergies formed from collaboration with business partners. With intense collaboration, companies can utilize external resources to respond to changes more quickly, such as modifying products or introducing new services according to changing market needs. In many cases, partners in a business network may have specialized expertise or access to information that the company does not have internally, allowing for a faster and more appropriate response to market dynamics (Kurniawan et al., 2021). Marketing agility is strongly influenced by the ability to adapt and innovate quickly, and by having strong network capabilities, companies can create a collaborative and supportive business environment, where agile marketing ideas and strategies can be implemented immediately (Arasti et al., 2022). Ultimately, network capabilities enable companies to remain competitive and proactive in the face of market changes, while maintaining relevance and excellence in fierce business competition (Arslan et al., 2024).

H3: Network capability has a positive influence on marketing agility.

Network capability

Network capability refers to the company's ability to build, manage, and utilize relationships with external partners such as suppliers, customers, and other institutions. From the point of view of the resource advantage theory of competition proposed by (Hunt & Morgan, 1996), companies that are able to make good use of their network resources, information and knowledge gained through these interactions will have a greater chance of achieving marketing goals. Network capability is characterized by several important elements; internal communication (Falkheimer et al., 2022), partner knowledge (Majid et al., 2019) and relationship skills (Ju et al., 2023). With this, companies can more easily establish strategic partnerships that allow the exchange of information and resources to take place more smoothly, which is relevant for SMEs that tend to have limited resources (Sayed & Dayan, 2024).

Relationship between network capability and pro-growth marketing innovation

Network capability has an influence on pro-growth marketing innovation. With good network capabilities, companies can more quickly identify collaboration opportunities that can drive growth (Risitano et al., 2023). This helps firms design and launch innovative marketing strategies, and develop products and services that are more competitive in the market (Wakibi et al., 2024). Moreover, with close collaboration, companies can overcome resource limitations that are often a constraint, allowing them to

focus more on marketing strategies that drive business growth (Tariq et al., 2024). Network capabilities accelerate innovation through close interaction with business partners (Pérez-Orozco et al., 2024). Thus, network capabilities strengthen the competitiveness of companies in an increasingly competitive market, especially in achieving sustainable long-term growth (Takahashi & Takahashi, 2022).

H4: Network capability has a positive influence on pro-growth Marketing Innovation.

Marketing agility

Marketing agility in the perspective of the Resource advantage theory of competition provides a reference that prioritizes the flexibility of using resources to create competitive advantage (Hunt & Morgan, 1996). In this case, companies that use their existing resources will tend to be flexible in responding to market changes (Khan et al., 2022). Flexibility is an element of marketing agility, describing the ability to adjust target segments, marketing messages, or distribution channels according to trend developments (Haverila et al., 2024). By having high flexibility, companies can position themselves to excel in fierce competition (Puriwat & Hoonsopon, 2021). Other elements are adaptive marketing capability (Han et al., 2023) and speed market sensing (Liang et al., 2023). These elements function as activities to analyze, and respond quickly to market information, which positions the company to remain relevant in a competitive business environment (Tarn & Wang, 2023).

Relationship between Pro-growth marketing innovation and marketing agility

Pro-growth marketing innovation creates innovations in products, services, or marketing processes, focusing on new ways of reaching the market (Osei et al., 2019). This capability strengthens a firm's agility to explore various relevant strategies (Martins, 2023). Companies that engage in marketing innovation tend to be more open to new product development, and business model changes (Botti & Baldi, 2024). These innovations create a favorable environment for adaptability, fueling marketing agility (D'Attoma & Ieva, 2022). Pro-growth marketing innovation enables organizations to respond quickly to market changes. By introducing new and innovative marketing techniques, companies can quickly adapt to changing consumer preferences, and emerging challenges (Aggarwal & Joshi, 2024). Therefore, pro-growth marketing innovation plays an important role in driving better marketing agility, which allows organizations to respond quickly and responsively to market changes (Khalil et al., 2023).

H5: Pro-growth Marketing Innovation has a positive influence on.

Relationship between marketing agility and marketing performance

Marketing agility plays an important role as a marketing performance lever in an organization. It involves an organization's ability to detect, adapt, and respond quickly to changes in the market environment that will improve marketing performance (Khan et al., 2022). Market agility can accelerate time-to-market, i.e. launching a product or marketing

campaign (Lauther et al., 2023). With a faster and more efficient decision-making process, this ability encourages companies to respond to market demand faster than their competitors. This can generate significant profits and improve overall marketing performance (Cajias & Freudenreich, 2024).

H6: Marketing Agility has positive influence on Marketing Performance.

Marketing innovation is considered a powerful response mechanism that meets dynamic market needs (Hena-García & Cardona Montoya, 2023). Companies that actively seek to improve market response, allowing innovations to be implemented will be appropriate. Marketing innovations include new product introductions, creative marketing approaches, or innovative distribution methods (Alghamdi & Agag, 2024). With the implementation of appropriate marketing innovations, companies can achieve a superior position in the competitive realm (Islam, 2023). Therefore, market orientation provides a strong basis for companies to understand customer needs and preferences as well as market trends. Companies are encouraged to create innovations in products, services, or marketing processes to meet or even exceed customer expectations (D'souza et al., 2022). Pro-growth marketing innovation acts as a direct reaction to this deep understanding, stimulating efficient creation of new products by promoting creative marketing strategies (Chaithanapat, Punnakitikashem, Oo, et al., 2022).

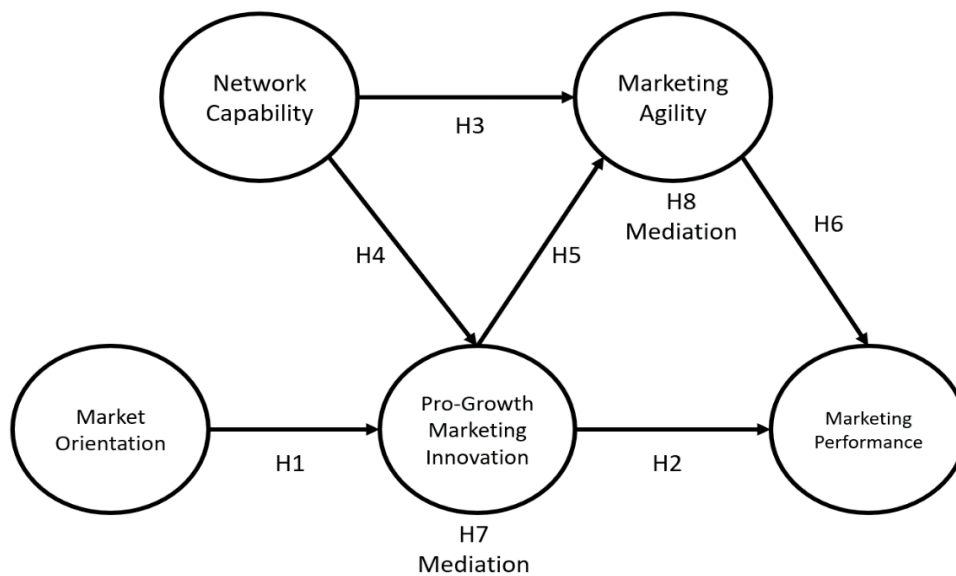
H7: Pro-growth Marketing innovation mediates market orientation on marketing performance.

Network capability allows companies to respond quickly to market changes and consumer needs. For example, companies that have Network capabilities can more easily change their marketing strategies, customize their products or services, or respond to evolving market trends, all of which can increase marketing agility (Yang et al., 2023). Marketing agility allows companies to iterate and adjust quickly to innovations that are implemented. By having flexible and structured processes and systems, companies can quickly test, evaluate and refine their innovations based on market feedback and marketing performance (Zhou et al., 2019). This allows firms to maximize the impact of their innovations and optimize overall marketing performance (Zhang et al., 2024).

By having the ability to respond quickly to customer feedback and changes in consumer preferences or behavior, firms can strengthen relationships with customers and increase the adoption of their innovations (Zastempowski & Cyfert, 2023). This in turn contributes to improved marketing performance, such as increased sales, customer loyalty, and customer satisfaction (Rafi et al., 2022).

H8: Marketing agility mediates pro-growth marketing innovation on marketing performance.

Figure 1.
Empirical Research Model



Source: Author(s) work

RESEARCH METHOD

Data collection

The empirical study was conducted on 249 local market MSME business owners in Bandung city in 2024, to be precise about 2 months of data collection, namely, July 2024 to August 2024. Initially there were around 6.5 million MSMEs in Indonesia, to be precise 30 - 40% were in the culinary sector. About 147,000 MSMEs in the city of Bandung.

The research sample was narrowed down to 249 food & beverage businesses spread across the city of Bandung, We met the food and beverage MSMEs directly and also asked them to fill out the questionnaire that we had provided via google form. From about 261 respondents, we then screened them. Respondents amounted to 250 questionnaires that we could process. We also found abnormal data which amounted to 1 outlier data so that the data we used amounted to 249 data.

FINDINGS AND DISCUSSION

Structural Model Analysis

The results of model analysis using Amos show the level of model fit (Table 3). It can be seen that the significance value of the model is 0.192 of the minimum value is 0.05.

The chi-square value in the model is 264.060 which indicates that the model is fit based on chi-square. Then for non-structural based on goodness of fit parameters must have a value above 0.90, from the table the results show CFI = 0.992, IFI = 0.992, NFI = 0.905, and 0.991. these results also show that this model is fit. This shows that the data has a fairly high level of fit between the empiric model and the hypothesized model.

The next result regarding the model is to determine whether the model is accepted or rejected (Table 4). Based on the table, the effect between market orientation on network capability has a probability of 0.000 which indicates that this hypothesis can be accepted. Then the effect between Market orientation on pro-growth marketing innovation shows a probability of 0.003 which means that this hypothesis is also accepted. Then the relationship between network capability and pro-growth marketing innovation has a probability of 0.009 which similarly shows that the model is acceptable.

This finding is in line with research by Zhang et al. (2024), which states that good model fit contributes to the reliability of findings in structural analysis, as well as providing a solid basis for further hypothesis testing. In addition, research by Hair et al. (2021) emphasizes the importance of model fit in ensuring that the relationship between variables can be interpreted accurately. This finding is also supported which suggests that model fit helps in understanding the dynamics between variables in a marketing context.

Table 1.

Model goodness of fit test results

<i>Goodness of fit indeks</i>	<i>Cut-off value</i>	<i>Indeks value</i>	<i>Evaluation</i>
<i>Chi-square</i>	Chi-square table with sig.A=0,05 and df=245 is 282,5115	264,060	Fit
<i>Probability</i>	≥ 0,05	0.192	Fit
<i>Degrees of freedom (DF)</i>	-	245	
<i>CFI</i>	≥ 0,90	0.992	Fit
<i>IFI</i>	≥ 0,90	0,992	Fit
<i>NFI</i>	≥ 0,90	0,905	Fit
<i>TLI</i>	≥ 0,90	0,991	Fit
<i>RMSEA</i>	< 0,08	0,018	Fit

Source: Author(s) work, 2024

In addition, the effect of network capability with marketing agility, pro-growth marketing innovation with marketing agility and marketing agility with marketing performance both have a probability of 0.000 which states that the three hypotheses can be accepted. But it is different for the influence between pro-growth marketing innovation with marketing performance which shows that the probability value is 0.097 which states that the hypothesis is rejected. The results of hypothesis testing show that six hypotheses are accepted, while one hypothesis is rejected. First, the hypothesis indicating that market orientation (MO) has a positive and significant effect on network capability (NC) is

accepted with a coefficient of 0.807. This suggests that firms with good market orientation can build more effective networks, which is in line with previous research (Narver & Slater, 1990; Zhou et al., 2005).

Second, the hypothesis regarding the effect of market orientation on pro-growth marketing innovation (PGMI) is accepted with a coefficient of 0.437, confirming that a deep understanding of customer needs allows firms to innovate marketing strategies (Cano et al., 2004; Baker & Sinkula, 2005). The third hypothesis shows that network capability has a positive effect on PGMI, with a coefficient of 0.381, which confirms the importance of inter-firm collaboration in driving innovation (Ahuja, 2000; Wuyts et al., 2004).

Furthermore, the fourth hypothesis shows that network capability contributes to marketing agility (MA) with a coefficient of 0.381. This suggests that a good network facilitates rapid adaptation to market changes (Eisenhardt & Martin, 2000). In addition, the fifth hypothesis stating that PGMI has a positive effect on MA was accepted with a coefficient of 0.598, emphasizing that marketing innovation increases responsiveness to market demand (Teece, 2007). The sixth hypothesis shows that MA has a positive effect on marketing performance (MP) is accepted with a coefficient of 0.602, emphasizing the importance of agility in improving the firm's marketing performance. However, the seventh hypothesis stating that PGMI has a significant effect on MP was rejected, with a coefficient of 0.273, suggesting that other factors may have a more direct impact on marketing performance (Liao & Wu, 2010). This result underscores the complex interaction between market orientation, network capability, and marketing innovation in improving marketing performance, although the direct effect of innovation on performance may be influenced by other variables.

Table 2.

Table standardized regression weight & regression weight

Parameter	Standar Estimate	Estimate	S.E.	C.R.	P	Conclusion
NC □ MO	.807	.898	.111	8.069	***	Accepted
PGMI □ MO	.437	.391	.134	2.930	0.003	Accepted
PGMI □ NC	.381	.306	.118	2.603	0.009	Accepted
MA □ NC	.381	.325	.087	3.742	***	Accepted
MA □ PGMI	.598	.634	.124	5.103	***	Accepted
MP □ PGMI	.273	.374	.226	1.659	0.097	Rejected
MP □ MA	.602	.780	.221	3.527	***	Accepted

Source: Author(s) work

Mediation Analysis

Analysis of the effectiveness of a path can be revealed by paying attention to the value of the intermediary effect obtained from multiplying the value of the direct effect on a series of paths traveled. Referring to the results of testing the structural model in appendix 2, there are three paths that can be selected to achieve marketing performance (MP). These paths can be ranked according to their mediating effect values, namely: 1) pro-growth marketing innovation mediates MO → MP, 2) MO → Network Capability □ Marketing agility → MP, dan 3) MO → NC □ MI → MP, with mediation effect values of 0.144, 0.046, and 0.048, respectively. The two paths that involve integrated network assets show lower mediation effect values than those that do not. This indicates that Mediation 1 is

rejected while mediation 2 and 3 are accepted. It can then be concluded that this is full mediation.

Table 3.
Mediation test

Parameter	Direct effect		Mediation effect				Conclusion
	Estimates	Conclusion	Estimate	Lower	Upper	P	
Pro-Growth Marketing Innovation mediates the effect of market orientation on Marketing performance			.119	-.081	.458	.144	Rejected
Mediasi Serial: Market Orientation <input type="checkbox"/> Network Capability <input type="checkbox"/> Marketing Agility <input type="checkbox"/> Marketing Performance	0.174(CR=1.832))NS	Rejected	.174	.001	.542	.046	Accepted
Mediasi Serial: Market Orientation <input type="checkbox"/> Pro-Growth Marketing Innovation <input type="checkbox"/> Marketing Agility <input type="checkbox"/> Marketing Performance			.076	.014	.434	.048	Accepted

Source: Author(s) work, 2024

Discussion

In this research model can provide an overview to entrepreneurs, especially in the field of food and beverage in managing their business to achieve marketing performance. This model explains that market orientation is a way that can make their business successful. However, to achieve these results, companies need to add dependent variables, namely network capability, marketing innovation and marketing agility as mediation so that marketing performance can be achieved. (Ahmadi & Ershadi, 2021).

Furthermore, the mediation results show that the mediation path of market orientation Marketing innovation \square marketing performance shows that this relationship is rejected while the other 2 paths, namely MO \square NC \square MA \square MP dan MO \square MI \square MA \square MP The interpretation that the mediation effect between Marketing Orientation (MO) > Network Capability (NC) > Marketing Agility (MA) > Marketing Performance (MP) is acceptable indicates that the mediating variables NC and MA significantly play a role in explaining how market orientation can improve marketing performance. These results indicate that firms that focus on market orientation are more effective in building network capabilities, which strengthen responses to market changes. Good networking capabilities enable firms to be more agile in marketing strategies, thereby improving adaptability to market changes and trends. This agility in marketing becomes an important element that contributes directly to improved marketing performance, suggesting that the mediation path through NC and MA is highly relevant in transforming market orientation into better performance outcomes.

The interpretation of the Marketing Orientation (MO) > Pro-growth Marketing Innovation (PGMI) > Marketing Agility (MA) > Marketing Performance (MP) relationship suggests that strong market orientation drives growth-focused marketing innovation, which further enhances marketing agility and positively impacts marketing performance. Firms with high market orientation can better understand customer needs, thus being able to develop relevant and competitive innovations (Cheah et al., 2023). These growth-focused innovations then make firms more responsive to market changes, strengthening the marketing agility required to adapt quickly to new trends and changing consumer needs (Affran et al., 2024). Finally, this agility contributes directly to improved marketing performance, where companies that can adapt quickly and efficiently often get better results in terms of customer satisfaction and achievement of marketing goals (Cho et al., 2022).

The influence of market orientation on pro-growth marketing innovation (PGMI) is very important in the context of modern business, especially in dynamic sectors such as food and beverages. Market orientation allows companies to deeply understand customer needs and wants, which drives more relevant and competitive innovation. Companies with strong market orientation can identify new trends, anticipate changes in consumer preferences, and respond with the development of growth-focused marketing innovations. According to Narver and Slater (1990), high market orientation tends to increase marketing innovation because companies try to meet customer needs. Research by Aydin and Alniacik (2024). shows that market-oriented companies can identify innovation opportunities better and faster. In addition, Chaithanapat, Punnakitikashem, Khin Khin Oo, et al. (2022) emphasize that a deep understanding of customer needs allows companies to produce more growth-focused innovations, contributing to better marketing performance. Thus, the relationship between market orientation and PGMI can be seen as a positive cycle in which market understanding drives relevant innovation, improving firm performance and competitiveness.

The rejection that occurs in Pro-growth marketing innovation can be influenced by various factors that show PGMI does not contribute directly to marketing performance (Chang et al., 2022). However, this does not mean that PGMI cannot affect marketing performance,

but it requires a strong enough mediation to be more effective. Here marketing agility is a complement that can make the relationship between marketing innovation and marketing performance effective. This is in line with research conducted by Lin and Eng (2024b), which shows that marketing innovation does not always have a direct effect on performance, but more often through increased marketing agility that allows companies to respond to market changes more quickly and efficiently.

In addition, the intervening variable of network capability also has a significant effect as another path other than through PGMI so that market orientation can affect marketing performance. The existence of network capability as an intervening variable explains how good market orientation can strengthen the network owned by the company, which in turn increases the ability to adapt quickly. Research by (Zhang & Luo, 2024). Shows that companies that are able to build good network capabilities will be better prepared to face market challenges and adapt to customer needs, thereby achieving better marketing performance (Manurung & Kurniawan, 2021)

CONCLUSIONS

The conclusion of this study shows that the developed model provides valuable insights for entrepreneurs in the food and beverage sector in managing businesses to achieve optimal marketing performance. This research confirms that market orientation serves as a key driver for business success, but to achieve the desired performance, firms also need to integrate variables such as network capability, marketing innovation, and marketing agility as mediators. The results of the analysis show that the model has a good fit, with qualified significance and chi-square values, as well as various goodness of fit indicators indicating the validity of the model. In addition, six of the seven hypotheses tested were accepted, indicating that market orientation positively influences network capability and marketing innovation, and both contribute to marketing agility and performance. These findings emphasize the importance of optimizing interactions between variables in order to improve marketing performance outcomes, while highlighting that not all expected relationships directly contribute to performance, especially the marketing innovation relationship which showed insignificant results. These results may serve as a reference for future research to explore other factors that may influence marketing performance.

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