

DEVELOPING MARKETING PERFORMANCE THROUGH ORDER-BASED PRODUCT CLONING CAPABILITY ON SMALL METAL INDUSTRY

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Submission date: 04-Apr-2023 10:48AM (UTC+0700)

Submission ID: 2055297972

File name: 15._developing_market_51135.pdf (677.52K)

Word count: 6003

Character count: 35914

DEVELOPING MARKETING PERFORMANCE THROUGH ORDER-BASED PRODUCT CLONING CAPABILITY ON SMALL METAL INDUSTRY

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Abstract

The small metal industry in Tegal Regency is still managed traditionally and does not have the ability in marketing management, whereas they still have the potential to market their products outside of job order. There is a controversy on the research results on the relation between organizational learning and marketing performance (research gap). The purpose of this study is to give explanation about conceptual controversy concerning the relation between organizational learning and marketing performance, and to trace and analyze organizational learning process and give explanation about organizational learning transformation process to marketing performance. The analysis technique which is used is by using Structural Equation Modeling (SEM). The findings suggest that order-based product cloning capability mediates significantly the relation between organizational learning and marketing performance.

Keywords: *Organizational Learning, Organizational Capability, Order-Based Product Cloning Capability, Small Industry, Marketing Performance*

INTRODUCTION

The small metal industry in Tegal Regency is still fixated on the job order system. Based on preliminary survey, it is found that small metal industry in Tegal Regency is still managed traditionally and does not have ability yet in marketing management, whereas they still have potential to market their product outside job order. This indicates that the performance of their organizations, especially their marketing performance has not increased significantly (stagnant). They argue that the important thing is to get order so that their business can be sustainable and can support the family.

There is a controversy on the research results on the relation between organizational learning and marketing performance (research gap). Some studies have found that there is significant influence of organizational learning on marketing performance (Prieto and Revilla, 2006; Molina and Callahan, 2009; Michna, 2009; Khandekar and Sharma, 2006; Phromket, 2002; Bhatnagar, 2006). While other researchers produce the findings that there are no significant influences (Chaston et al., 1999; Jimenez et al., 2008; Liao and Wu, 2009)

In general the uniqueness that existed in the small metal industry in Tegal Regency is the corporate capability in making and imitating the exact same metal products with the products which are demanded by customers. Therefore, in this research, the new variable is order-based product cloning capability as the newness in this study and is the mediation variable between organizational learning with marketing performance and organizational capability with competitive advantage.

From the above description, it can be argued that research on the relation between organizational learning and marketing performance is still largely direct, so that the transformation of organizational learning into marketing performance is considered unclear. The research on the relation between organizational learning and marketing performance is still very rare in small businesses (Chaston, et al., 1999; Michna, 2009) and developing country backgrounds (Molina and Callahan, 2009; Khandekar and Sharma, 2006; Phromket and Ussahawanitchakit, 2002; Bhatnagar, 2006).

To clarify the conversion of organizational learning into marketing performance, in addition to including organizational capability variable (Hitt et al 2001, Barney, 1991, Aaker, 1989) and competitive advantage (Langerak, 2003; Grahovac and Miller, 2009; Newbert, 2008) this study will include the mediator variable of Order-Based Product Cloning Capability as a new variable to bridge the gap of research findings about the relation of organizational learning with marketing performance.

The Problem Formulation

Based on the phenomenon of small business and research gap that are originated from the results of previous research, it can be formulated the main problem of this study is: "How to build marketing performance through the order-based product cloning capability of?"

Research Purposes

This study aims to provide an explanation of the conceptual controversy regarding the relation of organizational learning and marketing performance, as well as to explore and analyze the process of organizational learning development. Besides, it is expected to provide an explanation on the transforming process of organizational learning into marketing performance that has been viewed as unclear by previous researchers by including mediator variable that bridges the relation between organizational learning and marketing performance.

Research Benefits

This research benefits are divided into two benefits, theoretically and practically as follows

1. Theoretically, this study contributes to the development of science, especially marketing management in this case the role of order-based product cloning capability in overcoming the controversy of research results about the relation of organizational learning with marketing performance.
2. Practically, this study provides input for corporate managers in order to improve marketing performance by managing well organizational learning that can improve order-based product cloning capability, thereby marketing performance can increase.

LITERATURE REVIEW

Resource Based View (RBV)

Barney (1991) writes phenomenal and classic article related to resource-based view. This article is interesting because it is considered as a milestone in the development of resource-based view that is considered a "major competitor" in the perspective of industrial organization. Although the embryo of this perspective emergence has existed since the 1950s by Penrose and Wernerfelt (1984), this perspective is considered as the new perspective and contributes greatly to strategic management.

The concept of RBV assumes that the corporate ability to compete depends heavily on the uniqueness of existing resources within the organization (Wernerfelt, 1984). In addition, this concept also sees that the ability to compete the organization is a function of the uniqueness and value of resources and capabilities which are owned by the organization.

Organizational Learning Theory

Organizational learning theory has been developed by March (1999: 15). This theory views organization as a cognitive unity that learning is interactive with environment. One issue of organizational learning theory relates to how organizational memory can be stored. If there is no mechanism for returning the existing information, then the information leaves the organization toward the individual, "organizational learning is an understanding with stored knowledge so that it can be used by other individuals with offspring" (Sinkula, 1994).

Hult and Ferrell (1997) argue that organizational learning has been viewed by some experts as the key to achieving organizational success in the future. While in neoclassical theory it is stated that land, labor and capital are the key to increasing productivity. Thus the ability to learn is a top priority for organizations to be able to compete effectively. Company that has the ability to learn more quickly recognize environmental changes and act on time will be able to achieve competitive advantage.

Organizational Capability

Ferdinand (2002) states that organizational capability is defined as the ability, knowledge and experience of Human Resources (HR) to carry out work that can provide value for the organization. Organizational capability includes the capability which is related to technology and the expertise which is acquired through learning. While Hitt, et al., (2001) states that organizational capability is combination of multiple abilities to perform certain tasks or activities.

Based on these definitions it can be explained that organization that has high capability is an organization whose members has various abilities and expertise which is gained from learning and past experience. These skills and expertise are required to perform certain tasks or activities. The combination of human resource capabilities with other strategic assets will be the source of competitive advantage for the organization. From the definition it can also be explained that organizations that have high capability will have more expertise and mastery of technology, so it will move further than its competitors.

Product Strategy

The development of the marketing use as a strategy by a company is to mix various marketing elements that include the product/service which is offered (product), the ease of getting the product/service which is offered (place), promotion or communication to target clients using various promotional techniques (promotion) and the price which is charged to the product/service (price). The terms of product, place, promotion, and price (4P) are then widely known by the term of marketing mix which describes the various marketing elements that

companies use to satisfy the chosen market needs and meet specific marketing objectives (Low and Tan 1995).

Product is an important element in the market supply. Market leaders typically offer high quality products and services that deliver the most superior customer value. Product is everything that can be offered to the market to satisfy a desire or need, including physical goods, services, experiences, events, places, properties, organizations, information, and ideas. Sun (2010) argues that product differentiation is a classic marketing strategy to achieve competitive advantage. One stepping-stone of marketing thinking is the complete corporate market orientation to generate customer value and as the consequence can achieve sustainable competitive advantage.

Marketing Adaptability

Interdependence theory suggests that the success or failure of an organization depends largely on the organizational ability to adapt to the environment forces such as the competition level, the applicable rules (Caroll and Hannan, 1989). The suitability of strategic orientation with the environment will be able to improve organizational performance (Luo, 1999). Based on the description it can be explained that the business environment is constantly changing, so the company is required to constantly adjust the internal conditions with the environment. Companies with high organizational learning degrees will be better able to adapt to their environment hence organizational learning has influence on organizational adaptability.

The degree of organizational ability to adapt to its environment is called organizational adaptability. Organizational adaptability according to Dess et al., (1997) is the organizational ability to make internal changes in response to the environment. Organizational adaptability is an important variable in achieving organizational performance. This is supported by the research of Kotler and Achrol (1999) which states that strong and adaptive culture has real strength and contribution to the improvement of organizational performance.

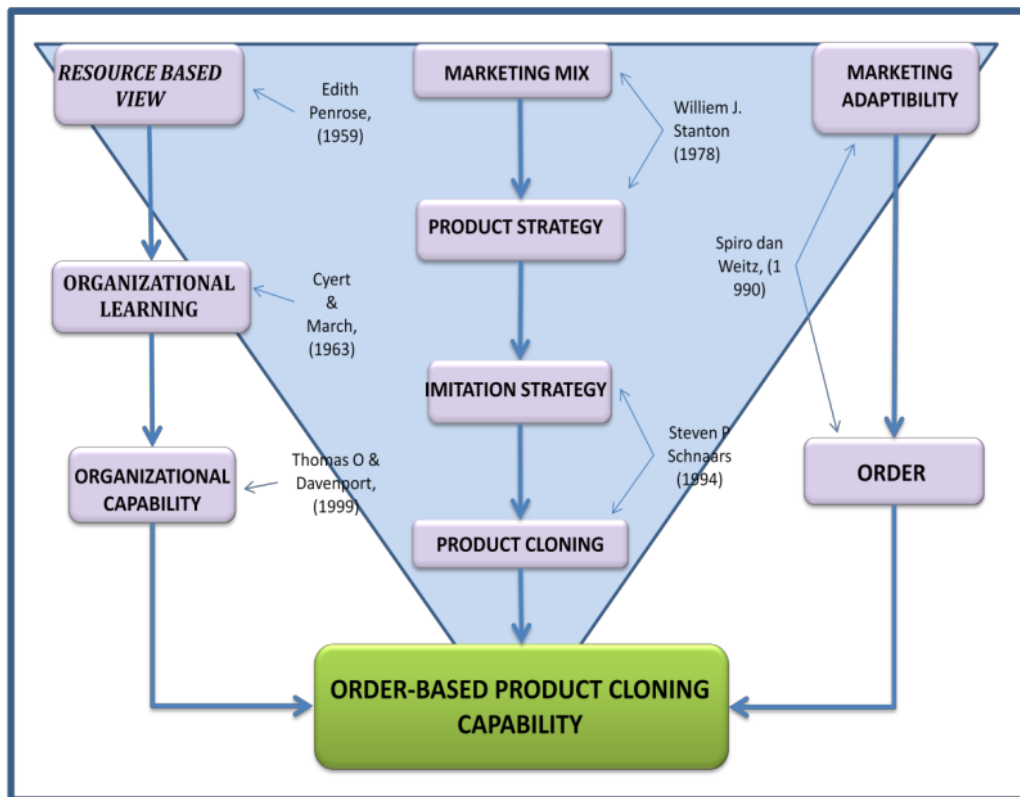
Order-Based Product Cloning Capability

Referring to the description of the contradictions on research results that organizational learning does not always have influence on marketing performance then in this study it is developed a new concept that bridges the gap of the study by developing the concept of order-based product cloning capability as mediating the influence of organizational learning on marketing performance. This new concept is derived from organizational learning theory, product strategy and marketing adaptability.

In the context of ability, organizational capability is more possible at the level of ability to produce products in accordance with the buyer wishes. The products in accordance with the buyer wishes are the product whose content, capacity, shape and quality are the same as the product which is requested by the buyer. Producing a product whose capacity, shape and quality is the same as the product which is requested by the buyer is called cloning.

Based on the theoretical explanation which is mentioned above, it can be described the process of synthesis concept on order-based product cloning capability as in figure 1.

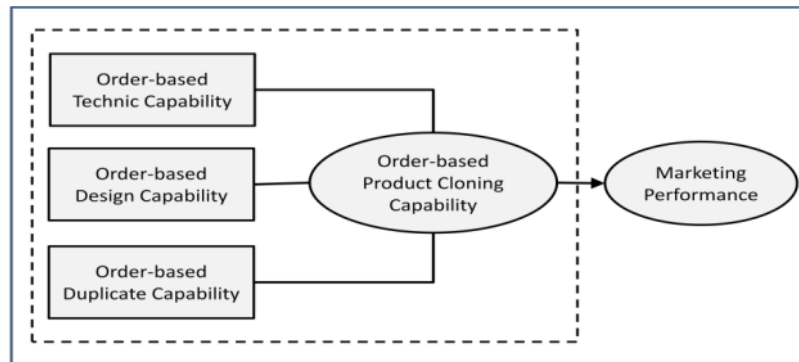
Figure 1. Synthesis Process of Order-Based Product Cloning Capability



Proposition: Order-Based Product Cloning Capability is a technical capability, designing and duplicating in creating a product in which content, capacity, form and quality are exactly the same as the product which is requested by the customer. This product cloning capability has the potential to improve marketing performance.

The proposition which is proposed above may be illustrated in figure 2.

Figure 2. Proposition Pitography Model



Study of Past Research

Prieto and Revilla, (2006) in their research prove there is positive influence between learning ability with business performance both financial and non-financial performance (including marketing performance). Thus, organizational learning has positive influence on marketing performance and financial performance.

Similarly to Michna (2009), in his research he also says there is significant relation between organizational learning and business performance (Michna, 2009). In practice, organizations with higher learning levels are likely to achieve high performance.

The research conducted by Lopez, et al. (2005) argue that organizational learning can be defined as a dynamic process of creation, acquisition and integration of knowledge which aim at developing resources and capabilities that contribute to performance. Organizational learning has significant influence on company performance.

Wang and Lo, (2003) in their research find that organizational learning also has positive influence on competence, as well as the antecedent of organizational competence. Organizational learning leads employees to constantly use their knowledge and expertise to address operational and strategic issues so that competencies can be improved (Chaston et al., 1999).

Molina and Callahan, (2009) reveal the link between individual learning, entrepreneurship, and organizational learning creating alternative models of how learning facilitates financial performance and marketing performance. Environment, individual, intra-preneurship, and organizational learning have influence on financial performance and marketing performance (Molina and Callahan, 2009).

Khanderkar and Sharma (2006) studies show an increasingly important role of organizational learning for corporate performance (financial performance and marketing

performance). In this study it is found that through human resource activity, organizational learning is positively related to marketing performance.

In the research which is conducted by Curado (2006) it is said that organizational learning can be defined as a dynamic process of creation, acquisition and integration of knowledge which aim at developing resources and capabilities that contribute to performance.

Liao and Wu (2009) in the study have resulted in the finding that organizational learning has no significant influence on financial performance and marketing performance. Knowledge management is positively related to organizational performance, which means businesses with more knowledge management demonstrate higher capabilities in improving organizational performance.

Research Conceptual Framework

Organizational Learning

Organizational learning will only occur if the individuals in the organization perform individual learning processes. This is stated by Senge (1990) who states that organizational learning occurs only through the individuals who learn. Agree with Senge (1990) Argyris and Schon (1996) also suggest that individual learning is necessary for creating organizational learning, but not enough to ensure having organizational learning.

Huber (1991) classifies the learning into four types: ¹ congenital learning, experimental learning, vicarious learning and grafting and searching. Congenital learning deals with acquiring information before entering an organization, whereas experimental learning is learning while working or learning from experience. Vicarious learning is learning by imitating others.

Organizational Capability

Ferdinand (2002) states that organizational capability is defined as the ability, knowledge and experience of Human Resources (HR) to carry out work that can provide value for organization. A person's ability will depend on past experiences, the more experience one has in dealing with and solving problems the higher one's ability. Organizational learning process is an accumulation of learning which is done by individuals in the organization so as to form the organizational capability.

From the description, it can be explained that organizations that have high capability will have more expertise and mastery of technology, and the ability which is gained from experience so that it will move forward compare with its competitors.

Competitive Advantages

The competitive advantage of a company must be based on the specialized resources that are the barriers of imitation activity and substitution of threat on a company's product or service. The increase on competition pressure can lower the company's competitive advantage. This indicates that for a company, in order to survive in the middle of increasingly intense competition pressure, the company must take action that can maintain and strengthen its unique competencies (Reed and DeFillipi, 1990).

Kotler and Achrol (1999) argue that competitive advantage is the ability of a company to perform one or more competitive activities that can not or will not be equaled by a competitor. Companies can create competitive advantages through quality, service, cost control, speed and innovation (Slater 1997: 78).

Marketing Performance

Marketing performance is an important element of corporate performance in general because corporate performance can be seen from its marketing performance so far. Marketing performance is a concept to measure marketing achievement of a company. Every company is concerned to know its achievements as a mirror of their business success in market competition.

Marketing performance is part of organizational performance. Organizational performance can be seen from marketing performance, financial performance and human resource performance. While Ferdinand (2002) states that the company strategy is always directed to generate marketing performance (such as sales volume), market share and the level of sales growth and financial performance.

Based on the conceptual framework which is described above, the researcher develops a basic theoretical model as it is shown in Figure 3. From Figure 3, it can be seen that the variable of order-based product cloning capability is the mediating variable of the organizational learning influence on marketing performance and the organizational capability influence on competitive advantage.

Research Hypotheses

Hypothesis 1 : Organizational Learning has positive and significant influence on marketing performance.

Hypothesis 2 : Organizational Learning has positive and significant influence on Organizational Capability.

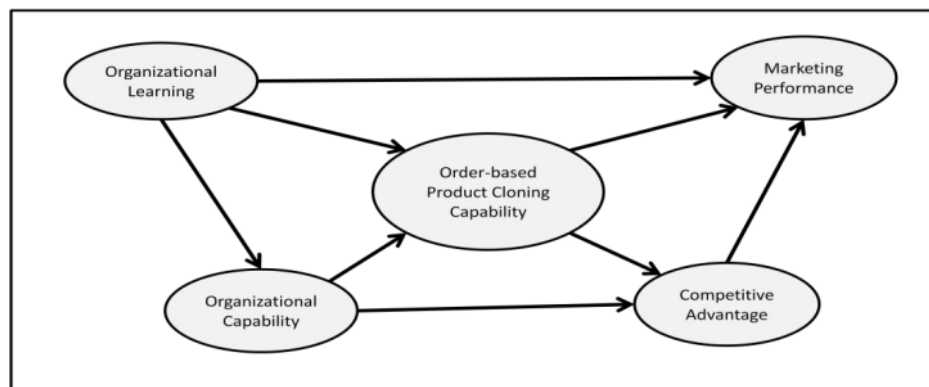
Hypothesis 3 : Organizational Capability has positive and significant influence on Competitive Advantages.

Hypothesis 4 : Competitive Advantage has positive and significant influence on marketing performance.

Hypothesis 5 : The capability of order-based product cloning mediates significantly the influence of organizational learning on marketing performance.

Hypothesis 6 : The capability of order-based product cloning mediates significantly the influence of organizational capability on competitive advantage.

Figure 3. The Basic Theoretical Model



RESEARCH METHOD

Research Design

This research is categorized as basic research (basic research or fundamental research or pure research). The approach which is used in this research is Positivist (Quantitative).

Population and Sample

The population in this study is all companies that belong to Small Metal Industry that uses job order system in Tegal regency amounting to 2688 businesses. . Purposive sampling used in this sampling is a small metal business in Tegal regency that has been running its business for at least 5 years. Of the total population, those who met the sample criteria were 2,223 businesses. By using the formula Slovin (Suliyanto, 2005: 100), with the percentage of leniency accuracy due to sampling error (e) of 6%, sample amounted to 247. To anticipate the existence of non-return questionnaires and incomplete filling, then the number of samples added 38 pieces (15%) so the sample size was 285. Thus the number of questionnaires distributed was 285 sets of questionnaires. Of the 285 sets of questionnaires distributed, 9 sets of questionnaires were not

filled and 6 sets of questionnaires were not filled in completely. Thus there are 270 sets of questionnaires that can be used for analysis.

Data Collection Technique

The data collection technique is done by using questionnaire. Collection data is performed using an enumerator that is intentionally recruited for this. Data which is obtained through the questionnaire is the data about the responses of respondents who are related to the variables studied.

Data Analysis Technique

Analysis of Structural Equation Model (SEM)

Data analysis technique in this study is using structural equation modeling model (SEM). To perform the test using SEM approach, there are steps that need to be done as proposed by Ferdinand (2005: 75) as follows: the development of theoretical model, the development of path diagram, the conversion of the flow diagram into the equation, selecting the input matrix and model estimation, addressing the problem of identification, evaluation of Goodness-of-fit criteria, and interpretation and modification of the model.

Hypothesis Testing

The test of each hypothesis is based on the probability estimation value of the structural model. Hypothesis testing is done by looking at the significance of estimation value, critical ratio, and probability based on AMOS analysis result which is seen in regression weight structural equation modeling. The criteria in meeting the acceptance requirements of the research hypothesis is p-value < 0.05 .

While to test the significance of a mediation variable (hypotheses 5 and 6), it is done by a procedure which is developed by Sobel (1982: 290-312). Sobel Test is performed to determine whether a variable is considered as a significant mediation variable or not.

ANALYSIS AND RESULT

Inferential Analysis

Confirmatory Testing of Exogenous and Endogenous Variables

The result of model modification by removing outlier data by using criterion of confirmation proper test index on exogenous variable shows that goodness of fit index for all criteria used are Chi-Square, Probability, GFI, AGFI, CFI, TLI, CMIN/DF, RMSEA have value which is worth, that is the required value in calculating the goodness of fit.

Table 1. Summary of Structural Suitability Index

| Suitability index models | Output Amos.22 | Cut-Off Value | Description |
|--|----------------|---------------|-------------|
| <i>Chi-Squared (χ^2)</i> | 145,748 | <446,574 | Good |
| <i>Probability Significance</i> | 0,122 | > 0,05 | Good |
| <i>CMIN/DF</i> | 1,148 | ≤ 2.0 | Good |
| <i>GFI</i> | 0,939 | >0,90 | Good |
| <i>AGFI</i> | 0,918 | >0,90 | Good |
| <i>TLI</i> | 0,984 | >0,95 | Good |
| <i>CFI</i> | 0,987 | >0,95 | Good |
| <i>RMSEA</i> | 0,025 | ≤ 0.08 | Good |
| <i>HOELTRE c-N 0.05</i> | 260 | >200 | Good |
| <i>HOELTRE c-N 0.01</i> | 281 | >200 | Good |

All criteria on goodness of fit because it has value within the range as it is expected, it is eligible to model eligibility.

Testing of the hypothesis of the model is described in the following tiered regression equations:

- MP = 0.21 OL + δ_1 1
- OC = 0.30 OL + δ_2 2
- CA = 0.28 OC + δ_3 3
- MP = 0.19 CA + δ_4 4
- MP = 0.21 OL + 0.29 OBPCC + δ_5 5
- CA = 0.28 OC + 0.25 OBPCC + δ_6 6

Information:

- OL = Organizational Learning
- OC = Organizational Capability
- OBPCC = Order-Based Product Cloning Capability
- CA = Competitive Advantage
- MP = Marketing Performance

The testing of exogenous variable influence on endogenous variable is done by testing the significance of regression coefficient (β) from equation 1, 2, 3 and 4 using critical ratio (statistic-t).

Results of data processing with AMOS 22.00 are obtained by Standardized Regression Weights of Exogenous and endogenous CFA can be seen in Table 2.

Table 2. Standardized Regression Weights Variabel Eksogen After Model Improvement

| Hubungan kausal | | Unstd Estimate | Std Estimate | S.E. | C.R. | P |
|--|-------------------|-------------------|-----------------|------|--------|-----|
| Vicarious learning (PO1) | ← | 1.000 | .729 | | | |
| Generative learning (PO2) | ← Organizational | .969 | .691 | .106 | 9.110 | *** |
| Congenital learning (PO3) | ← Learning | .942 | .693 | .103 | 9.153 | *** |
| Experimental learning (PO4) | ← | 1.038 | .729 | .105 | 9.840 | *** |
| Having expertise (KO1) | ← | 1.000 | .756 | | | |
| Having the ability of technology (KO2) | ← Organizational | 1.132 | .766 | .129 | 8.784 | *** |
| Having experience (KO3) | ← Capability | .913 | .667 | .103 | 8.862 | *** |
| Content according to order (KKPBP1) | ← | 1.000 | .783 | | | |
| Order capacity (KKPBP2) | ← Capability | 1.037 | .765 | .088 | 11.821 | *** |
| Order form (KKPBP3) | ← Cloning Product | 1.056 | .793 | .088 | 11.990 | *** |
| Quality of order (KKPBP4) | ← Order based | .945 | .712 | .089 | 10.623 | *** |
| Quality Advantage (KB1) | ← | 1.000 | .682 | | | |
| Service Advantage (KB2) | ← Competitive | .996 | .658 | .115 | 8.646 | *** |
| Cost control Advantage (KB3) | ← Advantage | .238 | .749 | .026 | 8.969 | *** |
| Speed Advantage (KB4) | ← | .214 | .714 | .024 | 8.838 | *** |
| Sales growth (KP1) | ← | 1.205 | .789 | .142 | 8.470 | *** |
| Market share (KP2) | ← Marketing | 1.087 | .693 | .127 | 8.557 | *** |
| Market growth (KP3) | ← Performance | 1.000 | .680 | | | |

Information: ***: < 0.001

Based on the results of the data as it is shown in table 2 on regression weights it can be explained that all indicators of each exogenous construct are significant at 0.05, this indicates that all indicators are well-extraction forming latent concept. All variable indicators have loading value above 0.60. Similarly, the indicators in the construct measurement model have critical ratio (CR) above 2.0 which means all indicators can be used in relation to the indicators.

Hypothesis Testing

Empirical models of each hypothesis are referenced from various theoretical and empirical studies. The results of hypothesis testing are described in Table 3 below.

Table 3. Structural Revisions of Regression Weight Full Model

| Causal Relation | | | Unstd Estimate | Std Estimate | S.E. | C.R. | P |
|--|---|--|-------------------|-----------------|------|-------|------|
| Marketing Performance | ← | Organizational learning | .179 | .205 | .074 | 2.422 | .015 |
| Organizational Capability | ← | Organizational learning | .306 | .301 | .085 | 3.610 | *** |
| Order-based Product Cloning Capability | ← | Organizational learning | .208 | .172 | .099 | 2.087 | .037 |
| Order-based Product Cloning Capability | ← | Organizational capability | .224 | .188 | .099 | 2.249 | .024 |
| Competitive advantage | ← | Organizational capability | .280 | .283 | .083 | 3.376 | *** |
| Competitive advantage | ← | Order-based Product Cloning Capability | .204 | .245 | .067 | 3.064 | .002 |
| Marketing performance | ← | Competitive advantage | .167 | .193 | .073 | 2.299 | .022 |
| Marketing performance | ← | Order-based Product Cloning Capability | .207 | .286 | .060 | 3.457 | *** |

Information : *** : < 0.001

Based on table 3:

H₁ : Organizational learning has positive and significant influence on marketing performance.

H₂ : Organizational learning has positive and significant influence on organizational capability.

H₃ : Organizational capability has positive and significant influence on competitive advantage.

H₄ : Competitive advantage has positive and significant influence on marketing performance.

This study seeks to solve the gap of organizational learning influence on marketing performance by developing new concept (novelty) that is capability of order-based product cloning. This new concept is expected as a mediating variable of organizational learning influence on marketing performance:

- H₅ : ³ Order-Based Product Cloning Capability mediates significantly the influence of Organizational Learning on Marketing Performance.
- H₆ : Order-Based Product Cloning Capability mediates significantly the influence of Organizational Capability on Competitive Advantages

DISCUSSION

Discussion of Response on Research Variables

The analysis results on Organizational Learning can be explained that all Organizational Learning Indicators gets a good response. The highest response to organizational learning variables is on the congenital learning indicator, it means that small metal industry in Tegal Regency generally performs the learning process by working on another metal company (internship) before running its own business.

The capability in cloning the product has been obtained because most of the small metal industry in Tegal Regency has skill in making the order product from generation to generation. Thus the small metal industry in Tegal Regency has capability in making the order product.

All indicators of Order-Based Product Cloning Capability receive a response that is included high category. This indicates that they have the capability of cloning the product in terms of content, capacity, shape and quality according to the order. This capability is mostly owned by small metal industry from their experience, while other is repeat orders. Order-based product cloning capability has the potential to maintain the existence of small metal industry in Tegal regency.

Thus the small metal industry in Tegal regency can maintain the existence of its business because it has the advantage in competing. The small metal industry has advantage in terms of product quality, service provided, excellence in terms of production costs and speed advantage in completing order products.

In general, the small metal industry in Tegal regency is able to maintain its sales growth, market share and market growth, it is largely due to the role of Disperindagkop and UMKM in introducing and promoting metal industry of Tegal Regency, while partly because of small metal industry has been known to have capacity in making products according to the order.

Discussion of Hypotheses Testing Results

Empirical facts in the field explain that the small metal industry in Tegal Regency has succeeded in increasing sales growth, market and market growth as customers have the assumptions that the small metal industry is experienced in working from other companies

before running its own business, participating the education and training which is held by Disperindagkop and UMKM, as well as conducting trials and having repeated orders.

Empirical facts in the field explain the small metal industry in Tegal Regency has a good marketing performance because they have a competitive advantage. Their competitive advantage becomes the superiority in the quality of the products produced, the services provided to the buyer, the cost control of the raw materials used and the speed in order completion. This advantage makes the small metal industry in Tegal Regency able to improve its marketing performance.

From the study results it is obtained that order-based product cloning capabilities mediate significantly organizational learning on marketing performance. This means that the small metal industry in improving its marketing performance should be able to increase the capability of order-based products cloning that will be gained from the organizational learning process. After having the ability to clone order-based products, the small metal industry can improve its marketing performance.

The small metal industry in Tegal Regency in having technical capability, building and duplicating in a product in which its contents, its capacity, its shape and its quality is the same as the product that is requested by the buyer, is done through skill enhancement, technological ability and experience in making product according to the order. Therefore, the small metal industry must have a competitive advantage then the small metal industry must have the capability of the order-based product cloning which derives from its organizational capability. This ability is obtained if the small metal industry has high degree of organizational capability.

CONCLUSION

Overall, it can be said that the main ³ concept in improving marketing performance is by intensifying organizational learning which is a strategy for small metal industry to improve its marketing performance by improving and developing ability to fulfill customer requirement specifically and satisfactorily by approaching the development of knowledge, experience and learning continuously. Order-based product cloning capability which is built ³ through the RBV concept, organizational learning theory, organizational capability theory, product strategy theory and social adaptation theory has the potential to improve marketing performance. The concept of order-based product cloning capability is able to solve the gap problem between organizational learning and marketing performance.

Limitations in this study include: the condition of different respondents viewed from the work period, market coverage, work area and experience overcoming business problems, so this limitation causes different perceptions in the filling questioner.

RECOMMENDATIONS

From the study results related to building marketing performance through the capability of order-based products cloning, it is recommended as follows: (a) Improving the ability to solve customer problems through increasing the understanding of customer needs and desires, (b) Improving the ability to understand customers to produce specific products for each qualified and acceptable market customers, (c) Improving the ability to understand customers to know their wants and expectations so that the company can provide satisfaction, and (d) Harmonious relationship with various parties is conducted by the company by always communicating and understanding the expectations of various parties.

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DEVELOPING MARKETING PERFORMANCE THROUGH ORDER-BASED PRODUCT CLONING CAPABILITY ON SMALL METAL INDUSTRY

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