

CHAPTER V

CONCLUSION, IMPLICATION, AND LIMITATION

A. Conclusion

This study aims to find empirical evidence of the influence of market orientation, innovation, and competitive advantage as intervening variables on marketing performance. To analyze the relationship between these variables, this study uses Partial Least Square (PLS). Based on the research and data processing that has been conducted, several conclusions are obtained, as follows:

1. There is an influence between market orientation and competitive advantage of MSMEs in Purwokerto in a positive direction of 0.394 and significant with a value of 0.000, meaning that when market orientation increases, it will affect the increase in competitive advantage.
2. There is an influence between innovation and the competitive advantage of MSMEs in Purwokerto which has a positive value of 0.455 and significant with a value of 0.000, meaning that when innovation increases it will affect the increase in competitive advantage.
3. There is an influence between competitive advantage and marketing performance of MSMEs in Purwokerto positively by 0.375 and significant with a value of 0.001, meaning that when competitive advantage increases, marketing performance will also increase.
4. There is an influence between market orientation and marketing performance of MSMEs in Purwokerto which has a positive value of 0.187 and significant with a value of 0.043, meaning that when market orientation increases, marketing performance will also increase.
5. There is an influence between innovation and marketing performance of MSMEs in Purwokerto positively by 0.281 and significant with a value of

0.022, meaning that when innovation increases it will affect the increase in marketing performance.

6. There is a mediating effect of competitive advantage in the influence of market orientation on the marketing performance of MSMEs in Purwokerto which has a positive value of 0.148 with a significant value of 0.008, meaning that competitive advantage partially mediates the effect of market orientation on marketing performance.
7. There is a mediating effect of competitive advantage in the influence of innovation on the marketing performance of MSMEs in Purwokerto which has a positive value of 0.170 with a significant value of 0.007, meaning that competitive advantage partially mediates the effect of innovation on marketing performance.

B. Implication

This research is expected to be used as a review and insight for MSMEs and the Indonesian government as a facilitator in the development of the MSME, to study these specifically four variables to seek into the achievement and improvement MSME has or has to do, which will contribute to economic growth.

1. In terms of market orientation, companies can periodically survey customer wants and needs, ask for feedback by providing criticism and suggestions from customers to understand the situation which is also capable of measuring customer satisfaction, and offer discounts to build customer engagement. In addition, companies also need to regularly monitor the strengths and weaknesses of competitors, and maintain good and coordinated relations with everyone in the company, such as employees, suppliers, and distributors.
2. In terms of innovation, companies can develop products or produce new products that are unique in the market so that buyers will be interested in these products. Develop new marketing methods through digital marketing

to promote products more widely. Organizational innovation is also needed to improve organizational performance, by conducting surveys on opportunities and threats, so that MSMEs can make the right decisions in seeing new opportunities.

3. In terms of competitive advantage, companies must emphasize an strategy of cost leadership, differentiation, and focus strategy, which can increase a company's competitive advantage.
4. In terms of marketing performance, companies must understand market orientation, continue to innovate in every element, and maintain the company's competitive advantage. From the perspective of these three points, companies can get excellent sales volume, sales growth and profitability.
5. In this era of digitalization, the government can support MSMEs to develop their business by introducing or providing training on digitalization to MSMEs.

C. Limitation

1. For future researchers, it is hoped that they can continue to develop this research more broadly by adding other variables that can affect marketing performance.
2. In this research, the research was limited to MSMEs in the culinary sector located in four sub-districts of Purwokerto, so that further researchers could conduct research with different objects and research settings in order to get maximum results.
3. The results of this study cannot be generalized as a whole to every MSME sector in Purwokerto.