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Research article

The Effect of Marketing, Product, Process, and Organizational Innovations on the Marketing Performance

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Abstract.
Innovation plays a vital role in increasing a company's performance, market profits, and sales growth. The types of innovation within a company also vary; there are at least four known types of innovation – marketing innovation, product or service innovation, process innovation, and organizational innovation. The purpose of this study was to examine the role of innovation in a company's growth. The samples used were 127 customers of a company. Primary data were collected using a Likert scale and secondary data through interviews. The technique used for data analysis was Structural Equation Modeling (SEM) which is operated using the AMOS application program. The hypotheses of this research were: H1: Marketing innovation influences innovation performance; H2: Product or service innovation influences innovation performance; H3: Process innovation influences innovation performance; H4: Organizational innovation influences innovation performance; and H5: Performance innovation has an influence on marketing performance. The results of this study indicated that marketing innovation, product innovation, organizational innovation, and innovation performance have a positive and significant effect on marketing performance.

Keywords: marketing innovation, product innovation, process innovation, organizational innovation, innovation performance, marketing performance

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1. Introduction

Changes in the global economy have described a business environment with high and new competition so that companies must have sustainable excellence in order to be able to maintain the life of the company. Uncertainty in business has increased due to changes in the economic environment. The development of technology in this decade has rapidly affected the company to make improvements by continually adjusting existing changes. As a result of technological advancements that require companies to innovate so that the company is able to take advantage of the momentum of this technological progress, with companies following the changes and responding to changes by addressing these changes the company will be more competitive. Changes

occur in almost all business lines due to technological developments. Innovation has a major role in creating a culture of innovation in organizations, the development of new products or services, the establishment of new methods of production, supply and distribution, changes in management processes and providing concepts and processes to gain competitive advantage and superior performance [37]. For example, product or service innovation, marketing innovation, process innovation, technological innovation, open innovation, behavioural innovation and strategic innovation are some of the several popular types of innovation in the current period and have helped improve overall performance [37]. Therefore, innovation has been considered to have an important role in improving performance, market benefits, sales growth and profitability. The types of innovation in companies also vary, in OECD Oslo [23] four types of innovations were introduced, four of which were organizational innovation, process innovation, product innovation and marketing innovation.

2. Literature Review

2.1. Marketing Innovation

Marketing innovation is a new marketing method that involves significant changes in product design, product placement, and promotion or product prices [23]. The main purpose of marketing innovation is to overcome better habits, penetrate new markets or position new company products on the market with the aim of increasing company sales. [33] have examined the impact on marketing innovation in private commercial banks in Jordan. According to their findings prove that marketing innovation as a positive effect on creating long-term competitive advantage and company growth. Furthermore, it is important that managers are in line with company strategies and perceptions of marketing innovation to create sustainable growth

2.2. Product or Service Innovation

Innovation in the service sector generally consists of two factors which are the introduction of truly new products or services to companies or individuals and the re-planning or improvement of existing services [4] either by radical or incremental methods. According to [24] in the manufacturing sector, this can be changed in things such instruments where each benefit can be evaluated. In addition, marketing as a discipline has focused

more on results than on processes and systems that enable them [38]. Marketing performance as a result of implementing company strategies such as customer satisfaction, success of new products or services, increased sales, and company profits.

2.3. Marketing Innovation and Innovation Performance

Suggest that marketing innovation is given a decisive meaning for companies to increase their sales and increase profitability is how companies do novation in marketing [1]. In determining marketing innovation it is also seen in the way that companies use to market company products related to how the innovation performance in the company's marketing.

H1: Marketing innovation has a positive effect on innovation performance

2.4. Product or Service Innovation and Innovation Performance

Product, process, administrative / organizational innovation has a positive and significant effect on organizational performance in terms of finance, growth, customers and internal processes. In addition, product and process innovations play an effective role in organizational performance. In general processes, innovation is considered as a factor that can generate many benefits for organizations to achieve competitive advantage [4]

H2: Product / service innovation has a positive effect on innovation performance

2.5. Process Innovation and Innovation Performance

Process innovation emphasizes the creation of improved techniques, knowledge, processes, systems, procedures and skills in changing the process of creating services stating process innovation as a new production method, management technology approaches to improve production and management processes. [11] define process innovation as creating beneficial modifications in the process of generating offers. Process innovation is involved with all functional and operational activities that help reduce production costs, improve quality, delivery methods, gain market share, achieve superior performance and competitive advantage [11]

H3: Process innovation has a positive effect on innovation performance

2.6. Organizational Innovation and Innovation Performance

Research has shown that organizational innovation is positively related to innovation performance [5] and helps to better understand the types of capabilities that will affect competitive advantage that deceive economic rents [2]. [6] have investigated the relationship between innovation and organizational performance in the general administration of Iran's tax affair. The importance of organizational innovation is explained by several researchers such as [6] who can lead to achieving superior performance and competitive advantage. As found in various empirical studies, innovation strategies and organizational performance have a positive and significant relationship

H4: Organizational innovation has a positive effect on innovation performance

2.7. Innovation Performance and Marketing Performance

Innovative performance is a combination of the achievement of the as services or goods offered by companies and changing the way they create and deliver and he interpreted this as product and process innovation.

2.8. Process Innovation

Process innovation is the implementation of new production that makes it easier for the effectiveness of its activities or shipping methods. It may be considered a change in tools, human capital, and work methods or a combination of these such as installing new or better software and to speed up the process of completing work and issuing policies [23].

2.9. Organizational Innovation

Organizational innovation is the application of new organizational methods in corporate and organizational business practices or external relations. Organizational innovation is not only to improve company performance by reducing administrative costs and other costs, but to help increase job satisfaction. Activities oriented to organizational change can be consequently influential related to organizational innovation [2]. Thus organizational innovation is closely related to all administrative efforts, including updating organizational systems, procedures, routines to encourage team cohesiveness, coordination, collaboration, the practice of sharing information, and knowledge. Organizational

innovation will help absorb evolution and expand into acceptance of innovation to achieve significant market growth. This can also be applied to manufacturing and service industries that experience technological changes that affect the company internally. The company can renew its organizational structure to improve team performance which is useful also in an effort to facilitate coordination between different functions such as marketing, manufacturing and projects undertaken with strategic collaboration and long-term business collaboration.

2.10. Innovation Performance

Innovation performance can facilitate companies to produce market performance in various ways through helping to identify possible technologies by improving the quality of products and services and the main value of products to customers can help to get new customers. Thus customer satisfaction increases the market position of the organization [5]

organization as a whole as a result of efforts to renew and improve carried out by considering various aspects of corporate innovation, such as processes, products, marketing, organizational structure, etc. Therefore, innovative performance is a joint construction, [10] based on various related performance indicators, such as, with new patents, new product announcements, new projects, new processes, and new organizational arrangements. Innovative performance affects general company performance and marketing performance in particular.

H5: The performance of innovation has a positive effect on marketing performance

2.11. Research Framework

3. Research Methods

3.1. Data Type

The type of data used in this study is a type of quantitative data, namely data presented in the form of numbers. The data used quantitatively presented in this study include: company sales data, respondents' data that have characteristics of gender, age, education and quantitative data regarding answers from respondents regarding research-related variables, namely the type of innovation, performance of innovation and marketing performance.

3.2. Data source

The data sources used in this study are primary data and secondary data. Primary data is data that is directly obtained from research sources. The primary data sources from this study are respondents of this study, namely corporate consumers. Research also uses secondary data both quantitative and qualitative. Quantitative data used are data sourced from reports and data shared from various parties involved. The source of this research is from Djoyoline Group.

3.3. Population and Samples

Population is the whole object, symptoms and all events on an event that will be selected and must be in accordance with the problem to be studied. The population used in this study is the entire customer of Djoyoline Group, both individuals and companies that become customers. The sample is a description of the entire population to be studied. The sample in this study were 127 Djoyoline Group customers.

3.4. Analysis Techniques

The analysis technique is used to test the models and relationships developed in this study. The analysis technique used in this study is Structural Equation Modeling (SEM) which is operated with the AMOS application program.

4. Results And Discussion

General Description of Research Objects Descriptive Data

This study took the object of the study with a population of all 127 Djoyoline Group customers. This study uses a sampling technique, namely Systematic Random Samplin, with the method selected 127 respondents.

From table 4.3 shows that the values of the marketing innovation variable have a minimum value of 1.00, a maximum value of 5, an average value of 3.34 and a relatively low data deviation of 1.43. Product innovation variables have a minimum value of 1.00, a maximum value of 5, an average value of 3.36 and a relatively low data deviation of 1.35. Process innovation variables have a minimum value of 1.00, a maximum value of 5, an average value of 3.33 and a relatively low data deviation of 1.43. Organizational innovation variables have a minimum value of 1.00, a maximum value of 5, an average

Table 1: Descriptive Statistics Data.

Keterangan	N	Minimum	Maximum	Mean	Std. Deviation
INOVASI PEMASARAN	127	1.00	5.00	3.3417	1.43980
INOVASI PRODUK	127	1.00	5.00	3.3638	1.35896
INOVASI PROSES	127	1.00	5.00	3.3307	1.43661
INOVASI ORGANISASI	127	1.00	5.00	3.8866	1.19607
KINERJA INOVASI	127	1.00	5.00	3.7260	1.23279
KINERJA PEMASARAN	127	1.00	5.00	3.6756	1.23170
Valid N (listwise)	127				

value of 3.88 and a relatively low data deviation of 1.19. The innovation performance variable has a minimum value of 1.00, a maximum value of 5, an average value of 3.72 and a relatively low data deviation of 1.23. And the marketing performance variable has a minimum value of 1.00, a maximum value of 5, an average value of 3.67 and a relatively low data deviation of 1.23.

4.1. Structural Equation Modeling Analysis: A Measurement Model

After measuring the model analyzed using Confirmatory Factor Analysis and seen that each variable can be used to define a latent construct, so that the Full Model Structural Equation Modeling can be analyzed. In this section, the results of data processing and analysis with Structural Equation Modeling are presented in full models with conformity tests and statistical tests will be carried out. The results of data processing for Full SEM model analysis are shown in the figure

Figure ??.6 explains that marketing innovation is able to improve innovation performance with a value of 0,019. Product innovation is able to improve innovation performance with a value of 0,042. Process innovation is able to improve innovation performance with a value of 0,361. Organizational innovation is able to improve innovation performance with a value of 0,000. And the performance of innovation can improve marketing performance with a value of 0,000.

The IM5 indicator is a dominant indicator among other indicators that can show marketing innovation with a factor loading value of 1.36, which means the IM5 indicator is able to increase marketing innovation with a factor loading value of 1.36 with an error rate of 0.88, so this

explains the value low error, and does not affect the model if the error on the indicator interferes.

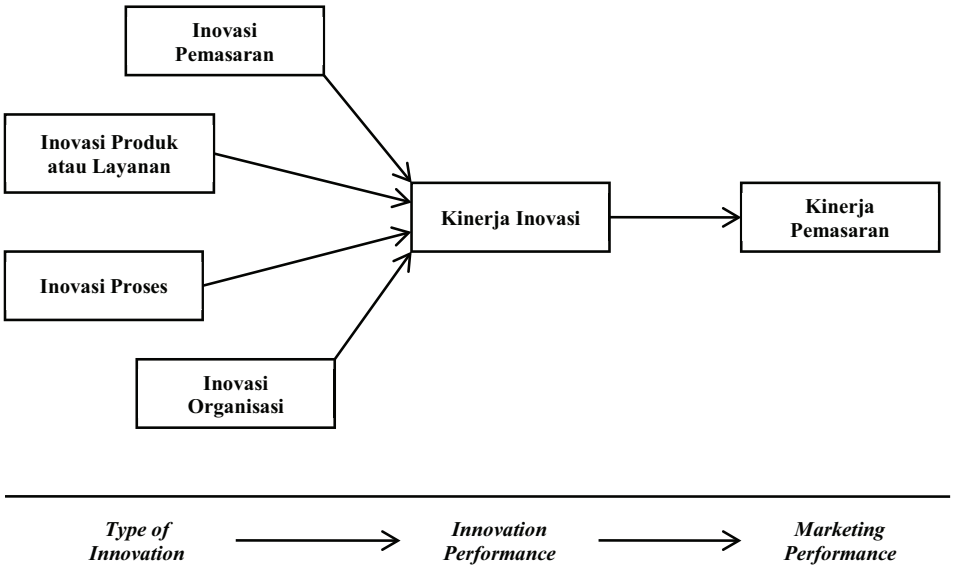

Figure 1: Full Structural Equation Modeling Test.

ID2 indicator is a dominant indicator among other indicators that can show product innovation with a factor loading value of 1.49 which means that ID2 indicator is able to improve product innovation with a factor loading value of 1.49 with an error rate of 0.63, so this explains the value low error, and does not affect the model if the error on the indicator interferes.

IS2 indicator is the dominant indicator among other indicators which can show IS2 indicator with a loading factor value of 1.42 which means that the IS2 indicator is able to improve process innovation with a factor loading value of 1.42 with an error rate of 0.71, so that this explains the value low error, and does not affect the model if the error on the indicator interferes.

IO2 indicator is a dominant indicator among other indicators that can show organizational innovation with a factor loading value of 1.56, which means that IO2 indicators are able to improve organizational innovation with a factor loading value of 1.56 with an error rate of 0.35, so this explains the value low error, and does not affect the model if the error on the indicator interferes.

The KI2 indicator is the dominant indicator among the other indicators that can show the performance of innovation with the value of the loading factor of 1.13, which means that the KI2 indicator is able to improve innovation performance with a factor loading value of 1.13 with an error rate of 0.69, so this explains low error value, and does not affect the model if the error on the indicator is disturbing.

The KP2 indicator is a dominant indicator among other indicators that can show marketing performance with a loading factor value of 1.03 which means that the KP2

indicator is able to improve marketing performance with a factor loading value of 1.03 with an error rate of 0.97, so this explains low error value, and does not affect the model if the error on the indicator is disturbing.

SEM (Structural Equation Modeling) testing was carried out with two research moorings, which included a model suitability test and a test of casuality significance with a regression coefficient test.

4.2. Regression Weight

After the research hypothesis that has been proposed, it is necessary to do a statistical test and the relationship between the research variables that form the basis of the test. Testing the hypothesis about the quality developed in this model, a null hypothesis test is needed which indicates that the regression coefficient between relationships is zero and through λj-t which is common in the regression model. The results of statistical processing tests of Structural Equation Modeling are done by looking at the significance of the relationship between variables that can be shown, namely the P and C.R values of each relationship between variables. Regression coefficient values and t-counts are shown in table 4.5 as follows:

Table 2: Regression Weight Full Model.

			Estimate	S.E.	C.R.	P
KINERJA_INOVASI	<—	INOVASI_PEMASARAN	,218	,093	2,341	,019
KINERJA_INOVASI	<—	INOVASI_PRODUK	,209	,102	2,037	,042
KINERJA_INOVASI	<—	INOVASI_PROSES	-,081	,089	-,913	,361
KINERJA_INOVASI	<—	INOVASI_ORGANISASI	,571	,119	4,791	***
KINERJA_PEMASARAN	<—	KINERJA_INOVASI	,933	,127	7,357	***

From table 4.5, observing the CR value with the T-Test in regression, shows that all regression coefficients are significantly not equal to no, therefore the null hypothesis that the Regrression

4.3. Marketing Performance

Overall marketing performance is translated into clear and reliable universal Weight is equal to zero can be rejected, to accept the alternative hypothesis that the hypotheses of each regarding the relationship of quality shown in the model are acceptable.

5. Conclusion

In this chapter data analysis has been carried out and testing of the five proposed hypotheses that are in accordance with the theoretical research model, and this model has been tested with the criteria of goodness of fit and good results have been obtained. The results of hypothesis testing are explained in table 4.14 as follows:

TABLE 3: Results and Conclusions of Research Hypothesis.

Hypothesis	Nilai C.R dan P	Hasil
H1 : Semakin tinggi inovasi pemasaran akan meningkatkan kinerja inovasi	C.R = 2,341 P = 0,019	Accepted
H2 : Semakin tinggi inovasi produk akan meningkatkan kinerja inovasi	C.R = 2,037 P = 0,042	Accepted
H3 : Semakin rendah inovasi proses maka tidak mampu meningkatkan kinerja inovasi	C.R = -0,913 P = 0,361	Rejected
H4 : Semakin tinggi inovasi organisasi akan meningkatkan kinerja inovasi	C.R = 4,791 P = 0,000	Accepted
H5 : Semakin tinggi kinerja inovasi akan meningkatkan kinerja pemasaran	C.R = 7,357 P = 0,000	Accepted

From Table 4.14 these are conclusions from the results of testing the proposed research hypothesis. For conclusions and policy implications from the results of data analysis and each of these hypotheses will then be explained in chapter V in a detailed description of the conclusions and implications. [1]

6. Policy Conclusions and Implications

6.1. Summary Research

In this study trying to analyze the variables that are related to marketing performance variables, based on literature review then developed 5 research hypotheses which include: Hypothesis 1, the higher marketing innovation will improve innovation performance, Hypothesis 2, the higher the product innovation will increase innovation performance, Hypothesis 3, the higher the innovation process will improve innovation performance, Hypothesis 4, the higher the organizational innovation will improve innovation performance, Hypothesis 5, the higher the performance of innovation will improve marketing performance.

6.2. Theoretical implications

Theoretical implications are an illustration of references that reflect each research, where the theoretical implications can be used in this research in the form of problem references, modeling, results and previous research agendas.

6.3. Managerial Implications

The results of the study produce that, the marketing innovation variable has a positive effect on innovation performance. The study also found that product innovation had a positive effect on innovation performance. But for process innovation variables in this study does not affect the performance of innovation. While organizational innovation variables have a positive effect on innovation performance. The variable performance of innovation also has a positive effect on marketing performance.

The purpose of this study is to find answers to the research problems that have been proposed in this research, namely how the company can renew and improve its marketing performance. Based on the findings of the research there are several policy implications in accordance with the priorities that can be given input to Djoyoline Group is the need to construct all forms and types of innovation in various lines of the company.

7. Research Limitations

This research can not be separated from the limitations and weaknesses, of the limitations and weaknesses that exist in this study can be used as a source of future research agenda. There are limitations in this study, namely the factors that make marketing performance better yet so complex.

7.1. Upcoming Research Agenda

From the limitations of this study which was found to be a source in future research, the development suggested in this study is to add more complex factors in the development of company performance.

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