

Conference Paper

The Influence of Marketing Orientation on Market-led Organization Culture

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Abstract

Market orientation is an activity to develop an understanding of current and future customer needs. Marketing-oriented organizations have an organizational culture or set of values and beliefs to serve customer needs. Based on the theoretical framework of a marketing orientation, which need to be considered are the customer orientation, Competitor orientation, Focus on the long term, Interfunctional coordination. Marketing-oriented organizations are those that have a marketing-led organizational culture. The study was conducted on employees at Ciputra Group with 337 respondents. The results of the study showed that there was no effect of the competitor orientation on the marketing-led organizational culture. The influential dimensions are customer orientation, Focus on the long term and Interfunctional coordination.

Keywords: Customer orientation, Competitor orientation, Focus on the long term, Interfunctional coordination, Market-led Organization Culture, Marketing Orientation

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1. Introduction

Marketing is the process of planning and implementing conceptions, pricing, planning and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals. [1] Marketing-oriented organizations have an organizational culture or set of values and beliefs to serve customer needs.

Market orientation is an activity to develop an understanding of current and future customer needs. [2] Strategies are directed through developing effective responses to an ever-changing market environment by defining market segments, and developing and positioning product offerings for targets. In its operations, organizations need to have tactics or activities related to product management, pricing, distribution and communication such as advertising, personal selling, publicity and sales promotion in an integrated manner.

Components and context of market orientation consist of customer orientation in order to understand customers to create superior value, competitor orientation to foster awareness of short-term, medium and long-term competitiveness, interfunctional

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coordination by using all resources to create value for customers, and culture a strong organization that is able to connect employee and managerial behavior with customer satisfaction.

[5] explained that the concept of marketing, consumers located in the center of operations or known as pivot points, so the direction of the business the company is trying to adjust to achieve the best interests and proportional from all parties related to the company's business. Marketing-led organizational culture that is only customer-oriented can indeed provide direction for the organization. Organizations try to reach their customers by all means, for example by giving customers more choices, big promotions, and offers to stimulate purchases, and target aggressive salespeople. But this can cause customers to be confused because the promotions are too complicated. [4] state that the role of employees in the forefront and yang support it (employees on the back), very important for the success of a service organization, because in addition to having a role in providing services, they also affect the perception of the buyer. Based on the theoretical framework of a marketing orientation, there needs to be another dimension to consider, namely Competitor orientation, Focus on the long term, Interfunctional coordination. Marketing-oriented organizations are those that have a marketing-led organizational culture.

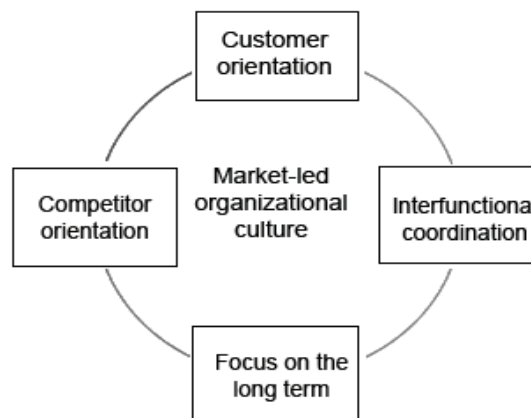


Figure 1: Marketing Orientation Theoretical Framework.

Based on a theoretical framework, a hypothesis is proposed:

- H1. There is an influence of Customer Orientation on Market-led Organization Culture.
- H2. There is an influence of Competitor Orientation on Market-led Organization Culture.
- H3. There is an influence of Focus on the Long Term on Market-led Organization Culture.

H4. There is the influence of Interfunctional Coordination on Market-led Organization Culture.

H5. There is a positive influence from Customer Orientation, Competitor Orientation, Focus on the Long Term and Interfunctional Coordination simultaneously on Market-led Organization Culture.

2. Methods and Equipment

2.1. Methods

This research collected data that was used by using a questionnaire. The type of data used is primary data, i.e. data obtained directly. The measurement scale used is a Likert scale. There are 5 variables in this study. The dependent variable is Market-led Organization Culture (Y) and the independent variable (X) is Customer Orientation (X1), Competitor Orientation (X2), Focus on the Long term (X3) and Interfunctional Coordination (X4). Data analysis uses Multiple Linear Regression Analysis to measure the effect of more than one predictor variable (the independent variable) on the dependent variable.

2.2. Sample, data collection and respondents

To test the above hypothesis, the authors collected data from Cputra Group employees in Indonesia, namely in the Ciputra Group branches in Pekanbaru, Semarang, Pandaan, Surabaya, Medan, Jonggol, Palu, Manado, Sidoarjo, Lampung, Makassar, Ambon, Cibubur, and Kendari.

Random data was obtained from 337 employees who had filled out the questionnaire through an online questionnaire. Of the total 337 questionnaires that were filled out, 33 respondents (9,8%) worked in the Estate/City Management section, 39 respondents (11,6%) worked in finance, 13 respondents (3,9%) from HCM (Human Capital Management), 132 respondents (39,2%) from the marketing department, 92 respondents (27,3%) from the Engineering / Project section and the rest 28 respondents (8,2%) work in other positions.

3. Results

This study uses parametric statistics and the results of the assumption of normality of distribution, linearity and colinearity are as follows. The results of the distribution

normality test show the distribution of points along the diagonal line, the distribution of these points indicates that this regression model has fulfilled the normality assumption of the data.

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Market-led Organization Culture (Y)

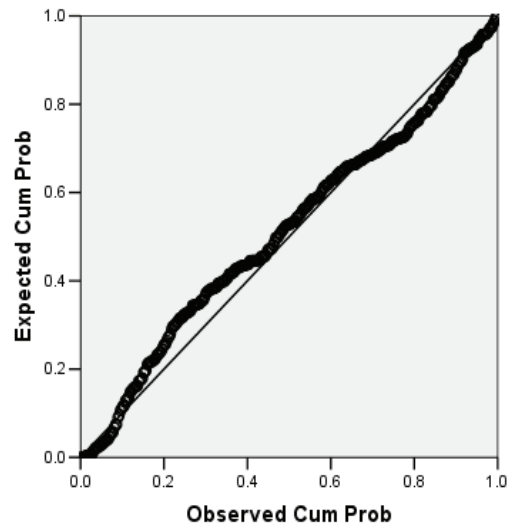


Figure 2: Results of the distribution normality assumption test.

For multicollinearity testing, multicollinearity testing is used by looking at the value of Variance Inflation Factor (VIF). The criteria used is if $VIF < 5$, it is said that there are no symptoms of multicollinearity.

TABLE 1: Linearity test results.

| | | Coefficients ^a | | | | | Collinearity Statistics | |
|-------|-----------------------------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Tolerance | VIF |
| | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 4,863 | 1,540 | | 3,158 | ,002 | | |
| | Customer orientation (X1) | ,336 | ,046 | ,398 | 7,315 | ,000 | ,469 | 2,133 |
| | Competitor orientation (X2) | ,043 | ,043 | ,049 | ,993 | ,321 | ,577 | 1,734 |
| | Focus on The Longterm (X3) | ,135 | ,060 | ,112 | 2,261 | ,024 | ,567 | 1,764 |
| | Interfunctional coordination (X4) | ,295 | ,047 | ,305 | 6,349 | ,000 | ,602 | 1,661 |

a. Dependent Variable: Market-led Organization Culture (Y)

The heteroscedasticity test is to see whether there is an unequal variance from one residual to another observation. The results showed that the points spread and did not form a certain pattern thus concluded no heteroscedasticity occurred.

Regression calculation results show that the value of t calculated customer orientation, focus on the longterm and interfunctional coordination shows higher when compared to t table (0.005) which is 1.984, meaning the variable Customer Orientation

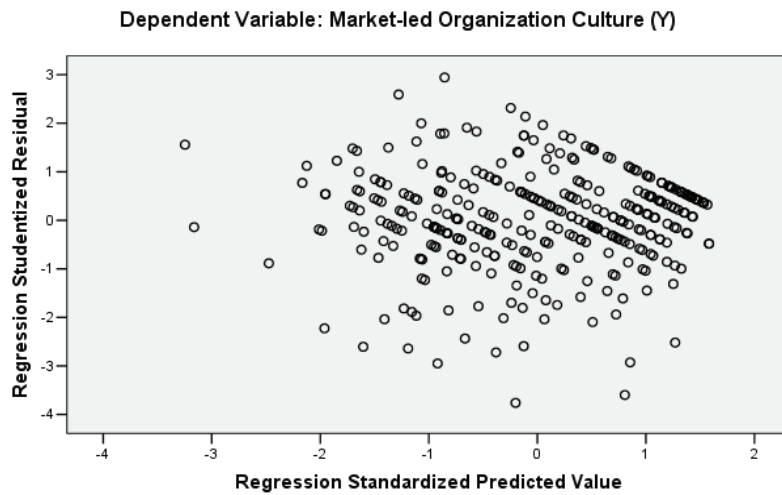


Figure 3: Colinearity test results.

(X1), Focus on the Long Term (X3) and Interfunctional Coordination (X4) influences Market-led Organization Culture. While for the Competitor Orientation (X2) variable shows no effect on Market-led Organization Culture. Thus H1, H3 and H4 are accepted, while H5 is rejected.

TABLE 2: Regression analysis results.

| | | Coefficients ^a | | | | |
|-------|-----------------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4,863 | 1,540 | | 3,158 | ,002 |
| | Customer orientation (X1) | ,336 | ,046 | ,398 | 7,315 | ,000 |
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| | Focus on The Longterm (X3) | ,135 | ,060 | ,112 | 2,261 | ,024 |
| | Interfunctional coordination (X4) | ,295 | ,047 | ,305 | 6,349 | ,000 |

a. Dependent Variable: Market-led Organization Culture (Y)

From the Anova table it can be seen the calculated F value of 96.406 with a probability value of 0.001. Greater than F table 4.7, the F count is greater than the F table value in the study. Means that H5 is accepted, so there is a positive influence on the variables Customer Orientation, Competitor Orientation, Focus on the Long Term and Interfunctional Coordination simultaneously affect Market-led Organization Culture.

4. Discussion

The importance of customer orientation is absolutely inseparable in marketing orientation. In addition, there is also a need for a long-term marketing strategy and forget

TABLE 3: ANOVA statistical test results.

| ANOVA(b) | | | | | | |
|----------|------------|----------------|-----|-------------|--------|---------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 2502,144 | 4 | 625,536 | 96,406 | ,000(a) |
| | Residual | 2180,167 | 336 | 6,489 | | |
| | Total | 4682,311 | 340 | | | |

a. Predictors: (Constant), Interfunctional coordination (X4), Focus on The Longterm (X3), Competitor orientation (X2), Customer orientation (X1)

b. Dependent Variable: Market-led Organization Culture (Y)

about good cooperation between functions or departments within the organization. Many companies still view marketing as a matter of marketing department. This can no longer be done. Every element in the company must have an organizational culture led by marketing (market-led organizational culture).

From the results of this study, it seems that orientation to competitors is not a significant thing to note. It seems that this is in line with various views that a successful entrepreneur should not focus on wasting time and energy paying attention to competition, but instead focuses on customers and company operations. One entrepreneur who believes this is Jack Ma. [3] worry if marketers monitor and looking at statistical results in the field of marketing, there will be rigidity in marketing concepts. On the other hand, many research results also show the importance of paying attention to competitors and conducting competition analysis. aware of this, it seems that there needs to be a model or approach that is more effective in dealing with competitors.

5. Conclusion

The study was conducted on employees at Ciputra Group with 337 respondents. The results of the study showed that there was no effect of the competitor orientation on the marketing-led organizational culture. The influential dimensions are customer orientation, Focus on the long term and Interfunctional coordination.

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