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# **Linking Market Sensing Capability, Innovation Speed, Organizational Learning and Marketing Performance in the Disruption Era**

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## **INTRODUCTION**

Tourism is a leading sector developed in Indonesia and significant contributes to the economic growth for the country's development. The development of tourism in Indonesia will have a direct impact on the community to participate in the provision of the tourism industry to meet the needs of tourists, especially the culinary and souvenir fields through small and medium enterprises (SMEs). The SMEs have a very important role in the economic development in every country, including in Indonesia. This SMEs also helps the country in creating new jobs that can support the household income. The competitiveness of SMEs is one of the key factors in efforts to increase tourism investment. Thus, it is expected that SMEs in tourism can grow, develop and be able to attract foreign investment in their businesses.

## **PURPOSE/AIMS & BACKGROUND**

The real performance faced by most businesses, especially the SMEs in Indonesia, the most prominent are the low levels of productivity, low value added, and low product quality. To improve the competitiveness of SMEs, a joint step is needed to lift technological capabilities and innovation power. This study aims to investigated the effect and develop the model of market sensing capability and marketing performance that is mediated by the speed of innovation and organizational learning. The era of disruptive innovation forces every company to be faster and more creative in carrying out product and service innovations so that they remain competitive. Innovation is a key element that drives the economy in various business sectors, so that every company that wants to survive in competition must be able to innovate and manage its resources. Some previous studies stated that not all companies that innovate can improve their marketing performance. Entering this era of disruptive innovation, each company must indirectly innovate to have a sustainable competitive advantage. Innovation and corporate intelligence systems are two important things to

improve a company's ability to produce the products or services that are in accordance with the customer preferences.

## METHODOLOGY

The research design used in this study is descriptive research. Data was collected by survey method through a structured questionnaire with a ten-point Likert rating scale. The population in this study were the owners/ managers of small and medium enterprises (SMEs) in the tourism industry in Lombok island. The number of samples used was 150 respondents using purposive sampling method analyzed by Structural Equation Model (SEM). The total respondents of this research were 150, consisting of 137 male (91.33%) and 13 females respondents (8.67%). In terms of age, 7 respondents (4.67%) were 20-30 years old; 47 respondents (31.33%) were 31-40; 69 respondents (46%) were 41-50; and 27 (18%) respondents were above 50 years of age. In relation of business ownership status, 143 respondents (95.33%) were the owners and 7 (4.67%) were managers. We also listed the period of business where 13 respondents (8.67%) run the business for 0 – 3 years; 79 respondents (52.67%) had 3.1 – 5 years of business period; and 58 (38.67%) had the business for more than 5 years. Next is the category of assets owned where 69 respondents (46%) had up to 100 million of assets and 81 (54%) had 101 million to 1 billion rupiahs of assets. Meanwhile, no respondent has above 1 billion rupiahs of assets.

## RESULTS

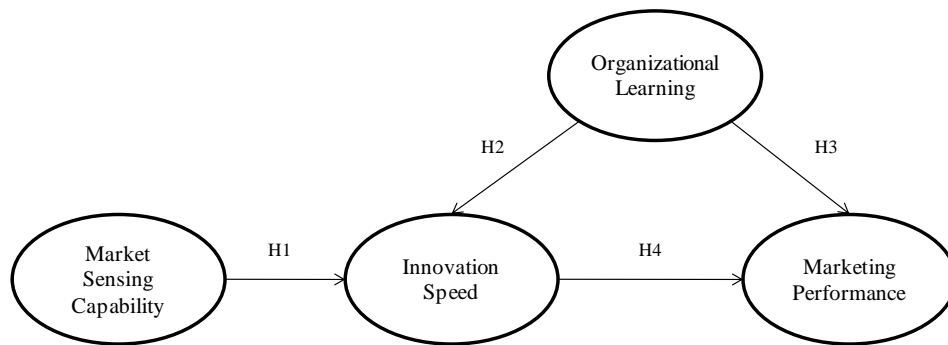
The results of hypotheses testing, in which all of the hypotheses proposed are supported, are presented below:

	Estimate	S.E.	C.R.	Hyphotesis Test
H1 : Innovation_Speed - Market_Sensing_Capability	.454	.133	3.406	Supported
H2 : Organizational_Learning - Innovation_Speed	.523	.089	5.890	Supported
H3 : Organizational_Learning - Marketing_Performance	.643	.082	7.836	Supported
H4 : Innovation_Speed - Marketing_Performance	.474	.078	6.076	Supported

## CONCLUSION

This study conclude that market sensing capability has a significant effect on marketing performance. SMEs that have a high market sensing capability and mediated by high innovation speed actions can improve their marketing performance. The existence of organizational learning in SMEs which is reinforced

by high innovation speed also influences the marketing performance. The empirical model developed in this study is as follows:



**Keywords:** market sensing capability, innovation speed, organizational learning, marketing performance, SMEs