IMPROVING MARKETING PERFORMANCE OF THE INFORMATION TECHNOLOGY INDUSTRY

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Abstract—The marketing performance of the information technology industry in DKI Jakarta was still low, allegedly due to customer focus, cross-functional coordination, and relatively low organizational capability. The purpose of this research was to determine and analyze the effect of customer focus, cross-functional coordination, and organizational capability partially or simultaneously on marketing performance. Descriptive and explanatory survey methods, the method used in this research with a sample size of 200 respondents, while the data analysis method used a structural equation model. The results showed that customer focus, cross-functional coordination, and organizational capability partially or simultaneously had a positive and significant effect on marketing performance with a contribution of 76%. Cross-functional coordination was partially the most dominant variable influencing marketing performance. The results of other studies show that the most dominant dimension in measuring customer focus was the service process dimension. While product development and marketing program preparation are the dominant dimensions in measuring organizational capability, and profitability is the most dominant dimension in measuring marketing performance.

Keywords: customer focus, cross-functional coordination, organizational capability, marketing performance.

Abstrak—Kinerja pemasaran industri teknologi informasi di DKI Jakarta masih rendah disinyalir disebabkan oleh fokus pelanggan, koordinasi lintas fungsi, dan kapabilitas organisasi yang masih relatif masih rendah. Tujuan penelitian ini adalah untuk mengetahui dan menganalisis pengaruh fokus pelanggan, koordinasi lintas fungsi, dan kapabilitas organisasi secara parsial maupun simultan terhadap kinerja pemasaran. Metode survey deskriptif dan eksploratori, metode yang digunakan dalam penelitian ini dengan ukuran sampel sebesar 200 responden, sementara metode analisis data menggunakan model persamaan struktural. Hasil penelitian menunjukkan bahwa fokus pelanggan, koordinasi lintas fungsi, dan kapabilitas organisasi secara parsial maupun simultan berpengaruh positif dan signifikan terhadap kinerja pemasaran dengan kontribusi sebesar 76%. Koordinasi lintas fungsi secara parsial merupakan variabel paling dominan pengaruhnya terhadap kinerja pemasaran. Hasil penelitian lain menunjukkan bahwa dimensi paling dominan dalam mengukur fokus pelanggan adalah dimensi pelayanan proses. Sementara dimensi pengembangan produk dan penyusunan program pemasaran merupakan dimensi dominan dalam mengukur koordinasi lintas fungsi, interpersonal skill merupakan dimensi dominan dalam mengukur kapabilitas organisasi, dan profitabilitas adalah merupakan dimensi yang paling dominan dalam mengukur kinerja pemasaran.

Kata Kunci: fokus pelanggan, koordinasi lintas fungsi, kapabilitas organisasi, kinerja pemasaran.

INTRODUCTION

Indonesia as a member of the World Trade Organization has participated in the Information Technology Agreement (ITA) since 1996. Although Indonesia commits to the ITA agreement, the national information technology (IT) industry complains that the ITA agreement brings consequences for the liberalization of information technology products. considered to have hurt the performance and development of the national information technology industry. While referring to marketing performance which is a measure of the overall marketing process activities of a company or organization. In addition, marketing performance can also be viewed as a concept used to measure the extent to which market achievements have been achieved by a product produced by the company. Marketing performance is a factor that is often used to measure the impact of the strategies
implemented by the company [1]. The company's strategy is always directed to produce marketing performance such as sales volume and good sales growth rate as well as good financial performance. Furthermore [1] states that good marketing performance is expressed in three main values, namely sales value, sales growth, and market share. So based on the statement, the ITA agreement which brought consequences for the liberalization of information technology products which were considered to have hurt the performance and development of the national information technology industry tended to be caused by the relatively low development of the information technology industry and the low marketing performance of information technology products.

The low marketing performance of information technology products is indicated based on BPS data (2019), the total value of trade in Indonesia's information technology products nationally has grown from 2003 to 2018. In 2003, exports of information technology products were recorded at USD 1.39 billion, while imports were valued at USD 1.39 billion. USD 1.64 billion. The trade balance for information technology products in 2003 experienced a deficit of US$ 254 million. Overall in 2003, the total trade value of Indonesian IT products was USD 3.03 billion. In 2018 exports of IT products increased to USD 3.80 billion, as well as imports which were much more increased to USD 8.65 billion. The trade balance for information technology products in 2018 also experienced an increase in the deficit to USD 4.85 billion. Overall in 2018, the total trade value of Indonesia's information technology products increased to USD 12.45 billion.

The pattern of trade in Indonesian information technology products from 2003 to 2018 continues to change, if you pay attention to the development of trade data for information technology products during the period 2013 - 2018 it shows that in 2003 Indonesia's information technology product trade experienced a deficit of US$ 254 million. However, in 2008 and 2013, Indonesia's trade in information technology products experienced a surplus of USD 2.65 billion and USD 2.20 billion, respectively. Export developments from 2003 to 2018 increased by 35.42% while imports increased by 73.67%. Overall, during the 2003 - 2018 period, the trade balance of Indonesia's information technology products experienced a fairly large deficit in 2018 which was valued at USD 4.85 billion (BPS, 2019).

Then the low marketing performance of Indonesia's information technology products is also shown by the information and communication technologies (ICT) Service export Indonesia until 2019, which is still relatively low, where since 2013-2017 Indonesia's ICT Services exports have only reached the range of US$6-8 billion, under the Philippines, Malaysia, and Thailand. In 2019, ICT Services exports increased to reach the range of US$ 8-10 billion above Thailand, but ICT Services exports decreased to below US$ 8 billion below the Philippines, Malaysia, and Thailand [2].

The relatively low marketing performance of Indonesian information technology products can also be seen in the performance of information technology companies at the regional level in DKI Jakarta. This is based on the performance of several information technology companies in Jakarta which shows that the profitability of information technology companies from the funds invested by the company, return on assets for the last five years (2015-2019) has decreased by an average of -19.06%. While the profit after tax from the company's equity until 2017 experienced a sharp decline, from 15.97% in 2013 to 1.81% in 2017, then increased in the following period which achieved a return on equity gain of 6,18 in 2019 but still below the achievement in 2015 (15.97%). Then the Net Margin from sales over a period of five years (2015-2019) also decreased, with a quite drastic decrease obtained in 2017 which only reached 4.13% compared to 2015 which reached 13.05% (Financial Report Six Information Technology Company (processed), 2019).

Many factors cause low marketing performance of information technology products. Customer focus makes a positive contribution to organizational performance by providing innovation differentiation and market differentiation [3]. Another finding of this study is that the impact of innovation differentiation on organizational performance is greater than market differentiation. So it is suspected that the low marketing performance of information technology products in Indonesia tends to be caused by the relatively low customer focus carried out by information technology companies in Indonesia. This is indicated in the data from the results of a preliminary survey by researchers (2018) on thirty information technology companies in Jakarta. The survey results show that customer focus carried out by information technology companies in total shows results that are relatively low or below the standard score, which only reaches an average of 103 (on a scale of 1-5). Then if further observed, it is seen that customer focus with a focus on frequency in providing after-sales service, regularly measuring customer satisfaction, improving marketing performance, and prioritizing product completeness still has a score below the average compared to other customer focus indicators such as frequency of serving customers, until the contract runs out of 107, always commits to customers of...
110, creates value for customers of 106, and the importance of product benefits for customers is 103. The low customer focus carried out by information technology companies in Jakarta can also be seen from information technology users. In general, IT application users stated that the released product was designed to be used in the long term and no upgrading programs were prepared for the product. On the other hand, companies engaged in information technology also cannot know how satisfied customers are with the applications used. This is due to the absence of continued communication between application developers and users. The process of developing and implementing the product is not by the agreed time, even in general there is a prolonged implementation.

Cross-functional coordination improves a company's customer and financial performance [4]. The low marketing performance of information technology companies also tends to be due to the inaccuracy of carrying out internal improvements in coordination across managerial functions. This is reinforced by the statement [5] which states that the sources of company excellence, namely a company's strengths in the form of superior skills, superior resources, and superior control which are the basis for innovation (internal sources of innovation) by managing main activities include: production, finance, human resources, marketing, and research and development (cross-functional coordination).

Lack of precise internal improvements in coordination across managerial functions of information technology companies is indicated in the results of the researcher's preliminary survey (2018) of thirty Information Technology Companies. The survey results show that the cross-functional coordination carried out by information technology companies is still relatively low, where only 57% of companies have collaborated between managerial functions. Then the company cooperates between functions only 28%, 16% cooperation in production/development, another 16.7% cooperation with all management functions. Meanwhile, 63% of information technology companies prefer to work with private research institutions or universities.

The effect of MDCs (marketing dynamic capabilities) on IJV (international joint ventures) competitive advantage and performance [6]. In addition, MDCs were found to be influenced by the magnitude of IJV resources, complementary resources, organizational culture, and organizational structure [6]. This statement indicates the low marketing performance of information technology companies tends to be caused by relatively weak organizational capabilities. This is reinforced by the statement that resources are information, knowledge, company attributes, organizational processes, assets, and capabilities that can strengthen companies in formulating and implementing strategies effectively and efficiently [7].

Organizational capabilities are still relatively weak in information technology companies, this is indicated based on the results of the researcher's preliminary survey (2018) of thirty Information Technology Companies in DKI Jakarta. The survey results show that the total organizational capability of information technology companies shows relatively low results, which only reaches an average of 104 (on a scale of 1-5). Then if it is observed further, it can be seen that, on the higher education dimension, it still has the lowest score and is below the average compared to the other three dimensions, such as interpersonal skills, professional field, and job attitude, which is 98. Meanwhile, other organizational capability indicators are still low. Below the standard, the organizational capability indicator score is interpersonal skills in terms of the level of respect and building good relationships with customers with a score of 101 and the ability to resolve complaints in meeting customer needs with a score of 104. Job Attitude in terms of persistence and proactiveness at work with a score of 100.

Based on the description of the research background, the formulation of the problem can be formulated as follows:

1. Does customer focus affect the marketing performance of information technology companies in DKI Jakarta?
2. Does cross-functional coordination affect the marketing performance of information technology companies in DKI Jakarta?
3. Does organizational capability affect the marketing performance of information technology companies in DKI Jakarta?
4. Do customer focus, cross-functional coordination, and organizational capability simultaneously affect the marketing performance of information technology companies in DKI Jakarta?

This research aims to identify and analyze:

1. The effect of customer focus affects the marketing performance of information technology companies in DKI Jakarta.
2. The effect of cross-functional coordination on the marketing performance of information technology companies in DKI Jakarta.
3. The effect of organizational capability on the marketing performance of information technology companies in DKI Jakarta.
4. The effect of customer focus, cross-functional coordination, and organizational capability
simultaneously affect the marketing performance of information technology companies in DKI Jakarta.

MATERIALS AND METHODS

The object of research that becomes the independent variable in this research is customer focus, cross-functional coordination, and organizational capability.

Customer Focus
Customer focus a product and/or product attributes that can be measured based on the provisions of the customer as a requirement to obtain satisfaction by customer expectations and desires [8]. By knowing these specific behaviors and actions, the company will determine standards for product delivery to its customers. A series of customer perceptions, tastes and expectations of product needs based on product attributes and benefits that are taken into consideration for the company. Meanwhile, according to [9], states that of the various factors that influence a person’s expectations of a particular product or product, changes will occur from time to time as a result of increasing information received and studied. The company cannot meet the expectations of its customers, it can cause changes in consumers to take the next purchase decision, meaning that there will be a process of re-election by customers to other products that are better able to meet customer needs, so that customer preferences will emerge to decide on your next purchase [10].

Cross Function Coordination
A market-oriented company will be effective in moving business functions to work together and add superior value to its customers [11]. Business process perspective, function coordination is a management process that includes aspects of quality results, time, cost, the accuracy of the information, the breadth of other functions that receive information and share information, and the variety of decisions made to deliver superior value to customers [12].

Organizational Capability
Organizational capabilities are not specific “inputs” such as tangible or intangible assets but are skills and ways to combine assets, labor, and processes used by companies to convert inputs into outputs. For example, the use of the internet to automate and provide specialized services creates a new level of organizational capability that combines assets, people, and processes inside and outside the organization so that it becomes a source of sustainable competitive advantage (John A Pearce II, 2013). Organizational capability from the strategic management point of view, organizational capability to integrate, reconfigure, acquire, and release internal resources to adapt or even create market changes and lead to organizational competitive advantage [13]. Organizational capability is divided into four dimensions, namely interpersonal skills, professional field, job attitude, and higher education [14].

Marketing Performance
Marketing performance measurement needs to be done because the business goal is not only to create customers, but the business must be able to make a profit [15]. Marketing performance measurement can be done using the marketing profitability approach [16] and shareholder value [17]. The study of marketing performance is a study of the relationship between marketing activities and business performance [18]. Proposes four indicators to measure marketing performance, namely sales volume, sales growth, market share, and profitability [19].

Framework

Figure 1. The framework of The Research

Meanwhile, the dependent variable is marketing performance. The nature of this research is descriptive and verification. Considering the nature of this research is descriptive and verification carried out through data collection in the field, the research method used is descriptive survey method and explanatory survey method. Given the nature of this research is descriptive and
verification carried out through data collection in the field, the research methods used are descriptive survey methods and explanatory survey methods. The unit of analysis in this study is a company or information technology industry located in Jakarta, with the unit of observation being the directors. The perception data of respondents’ responses are related to research variables, then each variable is arranged dimensions, which are then operationalized on the indicators. The operational research variables are as follows:

1. Customer focus is measured using eight dimensions with 8 indicators.
2. Cross-functional coordination is measured using three dimensions with 10 indicators.
3. Organizational capability is measured using four dimensions with 8 indicators.
4. Marketing performance is measured using three dimensions with 5 indicators.

The population is the Directors or Managers appointed from Information Technology (Software) Companies in DKI Jakarta as many as 288 companies (MIKTI, 2013). Joreskog and Sorbom in [20] state that the sample size required for the analysis of the structural equation model is at least 200 observations. So the minimum size of the sample in this research is 200 respondents with the sampling method used in this research is to use probability sampling.

The method of analysis and hypothesis testing in this research is by the research objective, namely measuring the effect of the independent variable (customer focus, cross-functional coordination, and organizational capability) on the dependent variable (marketing performance). The approach in modeling and the solution technique used is using the Structural Equation Model (SEM) method and with data processing, analysis tools using the Lisrel 8.80 application program.

**RESULTS AND DISCUSSION**

**Table 1. Model Fit Index Size**

<table>
<thead>
<tr>
<th>GOF Indicators</th>
<th>Expected size</th>
<th>Estimation results</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFI</td>
<td>GFI &gt; 0.90</td>
<td>0.89</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>RMSEA &lt; 0.08</td>
<td>0.072</td>
<td>Good Fit</td>
</tr>
<tr>
<td>NNFI</td>
<td>NNFI &gt; 0.90</td>
<td>0.95</td>
<td>Good Fit</td>
</tr>
<tr>
<td>RFI</td>
<td>RFI &gt; 0.90</td>
<td>0.92</td>
<td>Good Fit</td>
</tr>
<tr>
<td>AGFI</td>
<td>AGFI &gt; 0.90</td>
<td>0.85</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>RFI</td>
<td>RFI &gt; 0.90</td>
<td>0.92</td>
<td>Good Fit</td>
</tr>
<tr>
<td>IFI</td>
<td>IFI &gt; 0.90</td>
<td>0.96</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>CFI &gt; 0.90</td>
<td>0.96</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

Based on Table 1 above, the six conformity measures obtained have a good fit index, namely RMSEA, NNFI, NFI, RFI, IFI, and CFI. Meanwhile, the two model suitability indices are below the good fit measure but are still within the scope of marginal fit, namely GFI and AGFI. So that it has met the requirements of analysis and data analysis can be continued in the next analysis [21].

![Figure 2. Full Model SEM (Standardized)](image-url)
Structural Equation:

\[ KP = 0.34FA + 0.52KL + 0.12KO, \text{Errorvar. = 0.24, } R^2 = 0.76 \] .................................................. (1)

\[(0.097) (0.10) (0.054) (0.045) (0.0045)\]

\[3.53 \quad 5.18 \quad 2.20 \quad 5.27 \quad 209.43\]

Based on Figure 2, Figure 3, and the structural equation model (1) above, the hypothesis testing is as follows:

1. The results of testing the hypothesis of the customer focus variable partially show a positive and significant influence, this is evidenced by the significant test the t-value has a tcount of 3.53 > 1.96 and a path coefficient of 0.34 on marketing performance. The magnitude of the coefficient indicates the magnitude of the direct influence contribution of 11.56%, while the magnitude of the indirect influence is 15.10%. From this hypothesis, Ha is accepted and H0 is rejected. The service process dimension (X1=0.72) is the most dominant dimension that contributes value in shaping the customer focus variable. Meanwhile, marketing performance with the most dominant dimension is the Profitability dimension (Y2=0.82). The results of this test indicate that the customer focus reflected by the service process can improve marketing performance both directly and indirectly through cross-functional coordination and organizational capabilities, but the indirect effect is more dominant. So that the marketing performance of information technology companies will be further improved if the customer focus on information technology companies can be improved supported by good cross-functional coordination and high organizational capabilities of the company.

2. The results of testing the hypothesis of the cross-functional coordination variable partially show a positive and significant effect, this is evidenced by the significant test the t-value has a tcount of 5.18 > 1.96 and a path coefficient of 0.52 on marketing performance. The magnitude of the coefficient indicates the magnitude of the direct influence contribution of 27.04%, while the magnitude of the indirect influence is 16.25%. From this hypothesis, Ha is accepted and H0 is rejected. The dimensions of product development and preparation of marketing programs (X9=0.80) are the most dominant dimensions that contribute to the formation of cross-functional coordination variables. Meanwhile, marketing performance with the most dominant dimension is the Profitability dimension (Y2=0.82). The results of this test indicate that cross-functional coordination as reflected in product development and marketing program preparation can improve marketing performance which is reflected in high profitability both directly and indirectly through customer focus and organizational capability, but the direct influence is more dominant. So that the marketing performance of information technology companies will be further improved if cross-functional coordination in information technology companies can be improved.

3. The results of the hypothesis testing of the organizational capability variable partially show a positive and significant effect, this is evidenced by the significant test the t-value has a tcount of
2.20 > 1.96 and a path coefficient of 0.12 on marketing performance. The magnitude of the coefficient indicates the magnitude of the contribution of the direct influence of 1.44%, while the magnitude of the indirect effect of 4.83%. From this hypothesis, H0 is rejected. The interpersonal skill dimension (X12=0.83) is the most dominant dimension that contributes value in shaping the organizational capability variable. Meanwhile, marketing performance with the most dominant dimension is the Profitability dimension (Y8=0.82). The results of this test indicate that organizational capability as reflected by interpersonal skills can improve marketing performance which is reflected in high profitability, either directly or indirectly through customer focus and cross-functional coordination, but the indirect effect is more dominant. So that the marketing performance of information technology companies will increase if the organizational capabilities of information technology companies can be improved supported by a high focus on customers and the company's organizational capabilities.

4. The results of the hypothesis testing of customer focus variables, cross-functional coordination, and organizational capability simultaneously show a positive and significant effect, as evidenced by the significant test of the F-value having a Fcount of 209.43 > 3.84 and a coefficient of determination (R²) 76% of marketing performance. Meanwhile, 24% are other variables that affect marketing performance but were not examined in this study. The cross-functional coordination variable is the most dominant variable affecting the marketing performance variable (0.52) compared to the customer focus and organizational capability variables which are only 0.34 and 0.12. The results of this test indicate that customer focus reflected by service processes, cross-functional coordination reflected in product development and marketing program preparation, as well as organizational capability reflected by interpersonal skills will simultaneously improve marketing performance which is reflected in high profitability of 76%.

So based on testing the hypotheses above, the findings of this study are to improve the marketing performance of the information technology industry, especially in the profitability dimension, it will be able to be improved if the information technology industry is able to improve cross-functional coordination, especially in the dimensions of product development and marketing program preparation, and is supported with increased focus on customers, especially focus on service processes and organizational capabilities, especially on interpersonal skills.

CONCLUSION

Customer focus, cross-functional coordination, and organizational capability simultaneously or partially have a positive and significant impact on marketing performance, with a simultaneous contribution (R²) reaching 76%. The cross-functional coordination variable as measured by the dimensions of product development and preparing marketing programs was the most dominant variable affecting marketing performance as measured by the profitability dimension of information technology companies in DKI Jakarta. This conclusion shows that information technology companies in DKI Jakarta will be able to improve marketing performance, especially in high profitability if the company is able to improve cross-functional coordination with product development dimensions and develop marketing programs, and is supported by increasing customer focus, especially in the high service process and also supported by increased customer service. The company's organizational capabilities, especially in improving interpersonal skills.

Managerial Implications

The results show that if the customer focus on service processes, cross-functional coordination in product development and compiling marketing programs and organizational capabilities in interpersonal skills can be synergized in carrying out Information Technology business then this will be able to have a positive and significant impact on the marketing performance of Information Technology Companies in Jakarta, especially in terms of company profitability. Based on these findings, managerial implications that can be applied to improve marketing performance through increased cross-functional coordination by taking into account the most dominant dimensions, namely product development and developing marketing programs, so that Information Technology Companies in Jakarta must pay attention to and improve indicators such as product development capabilities, accuracy of marketing information, and involvement of all functions in the preparation of marketing programs.

Suggestions For Managerial

Based on the results of research and discussion, suggestions for Managerial Information Technology Companies in DKI Jakarta can be put forward as follows:

1. Customer focus carried out by Information Technology Companies in DKI Jakarta has shown
a relatively high customer focus. The high level of customer focus carried out by information technology companies in the Jakarta area that must be maintained includes indicators such as the frequency of serving customers until the contract expires, always being committed to customers, creating value for customers, and regularly measuring customer satisfaction. However, there are still some indicators of customer focus that must be considered and improved by Information Technology Companies such as the frequency level indicator in providing after-sales service, the level in improving marketing performance, the level of importance of product benefits for customers, and the level of prioritizing product completeness.

2. Cross-functional coordination carried out by Information Technology Companies in DKI Jakarta has shown relatively good cross-functional coordination. Cross-functional coordination carried out by information technology companies in the Jakarta area that must be maintained includes indicators such as the level of involvement of all functions in the preparation of marketing programs, close interaction between functions, the accuracy of human resources, the strength of financial resources, and frequency of R&D activities. However, there are still several indicators of cross-functional coordination that must be considered and improved by Information Technology Companies in the Jakarta Area such as the level of ability in product development, the level of accuracy of marketing information, the level of integrating the activities of all functions, the level of accuracy of the company's direction, and the level of accuracy. technology used

3. The organizational capabilities of Information Technology Companies in DKI Jakarta in running their business have relatively high organizational capabilities. The organizational capabilities of information technology companies in the Jakarta area in running their business that must be maintained include indicators such as the level of troubleshooting ability, perseverance and proactiveness at work, and the ability to independently learn science and technology and new technologies. However, there are still some indicators of organizational capability owned by Information Technology Companies that must be considered and improved by companies such as indicators of the level of respect and building good relationships with customers, level of ability to resolve complaints in meeting customer needs, level of professional ability in providing good service according to competence. IT professionals, the level of ability to work hard and cooperatively with partners, and the level of ability to innovate on IT products.

REFERENCE


