The Role of Competitiveness Mechanism Protection of Marketing Performance: Resource-Advantage Theory Perspective

Roymon Panjaitan[1]

[1]Business Department, Faculty of Computer and Business, Universitas Sains dan Teknologi Komputer Semarang

roymon@stekom.ac.id

Abstract

The study aims to determine the conceptual and empirical flow of inconsistencies in entrepreneurial, creative relationships on marketing performance centred on protecting competitiveness mechanisms. This conception is built to explore the critical role of protecting the competitiveness mechanisms of entrepreneurial creativity and product innovativeness. Optimization of post-pandemic marketing performance requires creativity and innovativeness and the importance of safeguarding competitiveness mechanisms. Seven hypotheses were developed and tested with the SEM-PLS technique in a sample frame of 230 MSMEs in Central Java, Indonesia. The study's findings contribute to the protection of competitiveness mechanisms conceptually, both empirically and practically. First, directly entrepreneurial creativity has a positive impact. On the contrary, there is a negative relationship of products innovatively in marketing performance. Second, the protection of competitiveness mechanisms can positively bridge innovative product relationships and entrepreneurial creativity in marketing performance. Third, the potential mediator of protection of competitiveness mechanisms can overcome the negative association of product innovativeness on marketing performance. The practical implications of criticizing MSMEs are not enough just creative and innovative, but still, require the protection of resource excellence. External factors protecting intellectual competitiveness mechanisms contribute to providing a competitive advantage. The theoretical implication is that the theory of competing resource advantages that a competitor's scarce resources have has the potential to gain a comparative advantage.

Keywords: entrepreneurial creativity, marketing performance, product innovativeness, protection of competitiveness mechanisms

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1. INTRODUCTION

The dynamics of business competition coherently demand business development through innovation and related creativity in products and services. The complexity of business competition today is oriented towards optimization excellence in marketing performance. The entrepreneurial mindset in the evaluation and selection of knowledge can determine success or be an indicator of failure that rests on the type of marketing practice (Asenge et al., 2018; Hanmaikyur, 2016). Global problems focus on the plurality of demand into a comparative advantage in resources. The weakness of industries large and small is a matter of resources and an essential role in protecting intellectual creativity to be researched.

The relationship of creativity and innovation in optimizing the performance of small and medium-sized micro enterprises (MSMEs) has often been studied by researchers before. Optimal MSME marketing performance with skilled marketing staff through experiential, creative and intellectual competencies can build effective marketing strategies resulting in sustainable competitive performance (Ali et al., 2020; Navarro et al., 2010; Robertus Suraji, 2020). In the salience model of identity relationship marketing success, according to Arnett et al. (2003), relationship marketing success helps explain success in marketing individual exchange relationships based on social exchange. Another study from (Kozáková 2014; Lee et al., 2019) creativity and innovation indicate the immediacy of alternatives to procedures in the public sector in marketing as a performance driver.

There is a positive and significant correlation between the entrepreneurial and innovative creativity of companies that are intensive in a marketing capacity and competitive advantage (Abusalma, 2021; Hamsioglu, 2016; Kristinae et al., 2020). In line with these findings in the manufacturing industry sector, fashion and knowledge creativity through innovation have positive implications (Subagja et al., 2018). However, opinions differ on the relationship between entrepreneurship, disruptive innovation and creative destruction due to the varying state of the economic background of entrepreneurs so that entrepreneurship can be destructive (Emami-Langroodi, 2018; Kraehe, 2019; Schumpeter, 2017). Another study reinforced, according to Sutapa et al., (2017), creativity has no significant effect on innovation for excellence and competitive performance for improved marketing performance.

Therefore, to bridge the inconsistency of knowledge, there is a need to protect competitiveness mechanisms from improving marketing performance. Protection indicators can be obtained in the form of the legality of brand protection, a combination of unique business experience, supervision policies and protection of competence or creativity not to be replaced or imitated. The novelty of the concept of competitiveness mechanism protection provides a proposition from developing a company's competitive behaviour theory (Resource-Advantage of Competition Theory).

Considering inconsistent findings, the study aimed to solve this research gap by adopting the Theory of Competitive Resource Excellence abbreviated as R-A Theory. The adoption of Theory R-A emphasizes the critical role of management to acquire, develop, and use heterogeneous corporate resources to be profitable in improving performance, especially in competitive markets. The two primary places of inspiring R-A theory are; First, the role of management is to configure strategies based on the advantages of the resources they build and cultivate in the

historical life of a company and second, competitive dynamics must be understood as strategies that trigger through innovation strategies as well as innovation resources (Hunt, 2001).

Consideration of the selection of research context in the Central Java region for two reasons. First, the characteristics of respondents in central Java are dominated by creative cultural factors and the utilization of local wisdom in small and medium enterprises. Second, technology literacy that is still uneven in remote areas becomes the proper object to measure the competitiveness of resource limitations. Hence, the role of protection of competitiveness mechanisms is alleged to contribute to the improvement of creativity and innovativeness of business actors.

Other researchers focused on the mediation function of competitive advantage on marketing performance (Anwar et al., 2018; Rua et al., 2018; Samad, 2018). There are still inconsistencies and limitations to the study of the critical role of protecting competitiveness mechanisms that have not been discussed in some studies. Geographical location, intellectuality of MSMEs and local cultural creativity become a measure of the level of creativity of businesspeople in selecting this study object. Then this intense research aims to build perspectives with the increasing originality of entrepreneurship and product innovativeness is needed to protect competitiveness mechanisms from achieving optimization of marketing performance. These findings suggest that the protection of competitiveness mechanisms can determine the practical strategies of MSME marketing.

2. LITERATURE REVIEW

2.1. Theory

In the context of the 6th premise of the theory of competitive advantage, according to Morgan, (2010), humans have resources such as personal knowledge and skills. Creativity is a resource that a person has from talent and talent that is honed so that it is skilled. Human resources are heterogeneous and not easy to move. Furthermore, in the seven premises, each individual has heterogeneous properties meaning that each company has unique resources. Unique in Resource Base View theory is called Rare from Barney, (1991). Companies must provide a competitive advantage because they cannot design and execute unique business strategies compared to other competitors.

A company is said to have the advantage of continuous competition to improve marketing performance in particular needs to cover aspects of assets, capabilities, organizational processes, company characteristics, information, knowledge and others where these resources are under the company's control. The competitive advantage theory perspective is not based on a specific period but on the extent to which competitors seek to implement the same strategy. In barney's five forces model assumption (1991), the competitive advantage would not be achieved if resources could be transformed into competitors. This means that based on the premise of homogeneity, all companies in one industry have the same resources, so companies will not achieve the advantage of continuous competitiveness because all have the same performance achievements.

2.2. Hyphotesis Development

Creativity that focuses on the skills of entrepreneurs can realize social change or social innovation to create competitively resilient entrepreneurship (Nababan, 2014). The invention of an entrepreneur to be creative in planning strategic marketing creativity can also improve marketing performance optimally, as stated by (Elwisam & Lestari, 2019; Utaminingsih, 2016) that the results of creative product innovation that is high can improve marketing performance. Protection of competitiveness mechanisms comes from intangible resources or intellectual capital such as patents, brands, copyrights, licenses, goodwill.

H1: Entrepreneurial creativity has a positive influence on the protection of competitiveness mechanisms.

H3: The higher the entrepreneurial creativity, the higher the company's marketing performance

H6: Entrepreneurial creativity has a positive effect on marketing performance through the protection of competitiveness mechanisms

Product innovatively is a form of interpretation of the results of individual intellectual resources. Individuals are said to have innovative power due to thinking impulses or arise from cognitive thinking. Particular motivation to seek protection is needed when companies face limited resource knowledge and innovation difficulties (Guoyou et al., 2009; Olander et al., 2014; Tekic et al., 2011). The high potential of product innovation for entrepreneurs can directly affect an entrepreneur's marketing performance. The climate for innovation and openness to change have an indirect impact on improving the productivity of marketing performance (Liu et al., 2020). The high efficacy of business actors' products to achieve marketing performance needs sources that cannot be replaced or imitated. The evolution of the market and technology can turn off the advantages of first movers then necessary isolation mechanisms to lock resources in macro-environmental conditions (Gomez et al., 2016; Magnusson et al., 2012; Suarez & Lanzolla, 2007). Therefore, from the above relationship, this study suspect:

H4: Product innovatively has a positive effect on the protection of competitiveness mechanisms

H5: Product innovatively positively affects marketing performance

H7: Product innovativeness has a positive effect on marketing performance through the protection of competitiveness mechanisms

Protection of competitiveness mechanisms in the increasingly dynamic industrial sector will impact the company's goals. From the results of the empirical study Park et al., (2014), competition or the level of work intensity can have positive non-monotonic implications on the performance of marketing business innovation. Another thing, the protection of competitiveness mechanisms with isolation mechanisms has a direct positive effect in improving the quality of strategies on network marketing performance capabilities (Hasyim et al., 2017). It is believed that there is a relationship:

H2: The higher the protection of competitiveness mechanisms, the higher the marketing performance

3. METHODOLOGY

The study used an explanatory approach to test the influence between each variable. Independent variables consist of entrepreneurial creativity, product innovation and protection of competitiveness mechanisms. At the same time, the dependent variable is marketing performance. The working definition of independent, dependent, and mediation variables and can be seen in Table 1. All variables use the Point-5 Likert scale (1= strongly disagree, 5= strongly agree).

Table 1. Variable Instrument Measurement

Variable	Dimension	Source
Entrepreneurial Creativity (X)	Social Network Vigilance over openness Knowledge and experience Optimism is new Inventive imagination Passion of perseverance	Chambers & Conway, 1992)
Marketing Performance (Y)	Customer growth Sales growth Sales expansion Market achievements Profit growth	(Al-Aali & Teece, 2014)
Protection of competitiveness mechanisms (Z1)	The legality of service brand protection Combination of unique business experience Surveillance piracy Typical competencies are difficult to address The talent of creativity cannot be imitated.	(Doh & Kim, 2014)
Product Innovativeness (Z2)	Product uniqueness The product cannot be replaced Product variations	(Batra et al., 2000), (Steenkamp & Baumgartner, 1998)

3.1. Data collection and sample collection techniques

Questionnaires are used as the main instrument of research. To ensure the quality of tools, we conduct trials, validity, and reliability tests. The questionnaire is disseminated with interview techniques and the dissemination of google forms in the MSME community group, then carefully examined by the author to ensure that the author still retains the original meaning of the questionnaire. Samples in MSME research in the central Java region from all fields. To produce reliable statistical power, the rule of thumbs in Hair et al., (2017) says that the sample in the study is at least 45 (for five independent variables). So, the whole piece used in this study was 230 MSMEs. Questionnaires were distributed using structured surveys from October 2020 to February 2021 to creative industry respondents, namely MSMEs. The selection of purposive sampling techniques in choosing respondents with MSME business criteria has issued products. The questionnaire consists of two parts. The first section contains questions about respondents' demographic characteristics, including age, gender, income, type of business, etc. The second part includes statements about entrepreneurial creativity, protection of competitiveness mechanisms, product innovativeness and marketing performance. The data obtained is then processed using the Structural Equational Modelling-PLS method.

Characteristics of Respondents

Based on the results of the processing of research data, characteristic respondents are drawn in table 2 below, namely:

Table 2. Characteristic Respondent

Karakteristik Responden	Jumlah	Persentase
Business Type		
Creative Industry	83	36.0
Trade	68	29.5
Service	42	18.2
Manufacture (Raw Material Process)	12	5.21
Others	25	10.8
Total	**230**	**100**
The Last Education		
Senior High School	97	42.1
Bachelor	72	31.3
Master	17	7.39
Others	44	19.1
Total	**230**	**100**
Long Business		
<1 Years	30	13.0
1-5 Year	87	37.8
5-10 Year	88	38.2
>10 Year	25	10.8
Total	**230**	**100**
Average Income/month		
< Rp5.000.000,-	143	62.1
Rp5.000.001,- Rp25.000.000,-	59	25.6
Rp25.000.001,- Rp50.000.000,-	20	8.6
>Rp50.000.000,-	8	3.4
Total	**230**	**100**

Source: Data collected October 2020 – February 2021

Based on Table 2, it can be known that most MSMEs are in the field of creative industries (36%). Respondents dominate MSME actors with the last high school education of 42.1%. Meanwhile, in terms of business length, many MSMEs are only established for about 5-10 years (38.2%), with the majority of MSME income is minor from <Rp5,000,000- per month (62.1%).

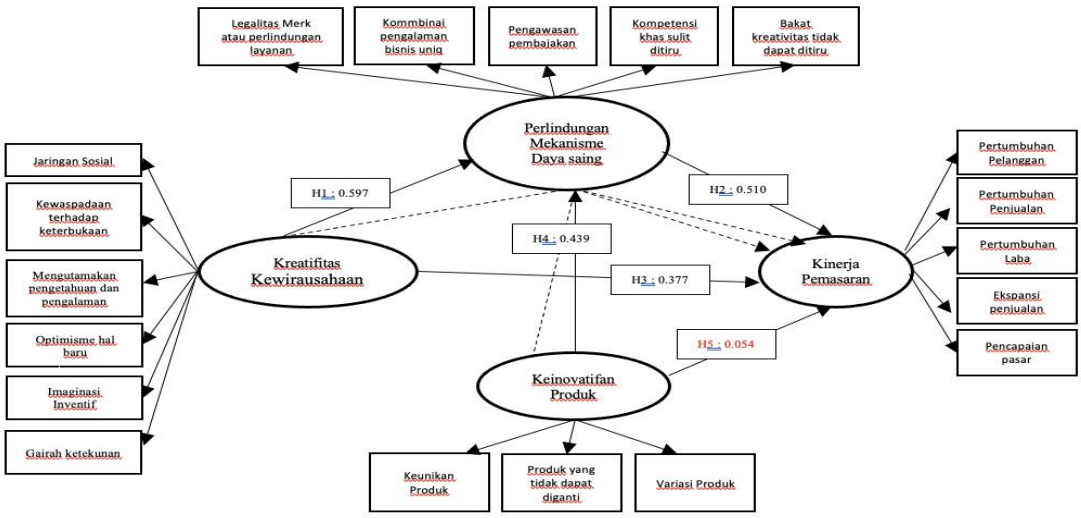

Figure 1: Conceptual framework of the model
Source: data processed Oct 2020 - Feb 2021

4. RESULT AND DISCUSSION

4.1. Analysis of Structural Equation Model

In figure 1, there are four latent variables, namely entrepreneurial creativity (X) as measured by six indicators, marketing performance (Y) as measured by five indicators, protection of competitiveness mechanism (Z1) measured by five indicators and product innovativeness (Z2) as measured by three arrows. For SEM analysis, the author uses PLS software conducted with several stages of analysis, namely measurement model test analysis (Outer model) to find out if the observed variable is valid to be forwarded to the next step, and structural model test analysis (Inner Model).

Referring to Hair et al., (2017), reflective model development consists of internal consistency reliability, indicator reliability, convergent validity, and discriminant validity. Internal consistency reliability, composite reliability must be higher than 0.70 (in exploratory research, 0.60 to 0.70 is considered acceptable). Reliability indicator, the other loading value of the intended variable hand must be higher than 0.70. Convergent validity, AVE should be higher than 0.50. Discriminant validity uses the HTMT criteria to assess discriminant validity in PLS-SEM, where the confidence interval of HTMT statistics should not include a value of 1 for all construction combinations.

This below table is the result of campare mean test. The comparation is objectives to know the mean value of 4th semester students and 6th students. There are 28 responden of accounting students in 4th semester, and 30 students in 6th semester. So, total of respondents are 58 students.

Table 3. Result Reflective-Measurement Models

Laten Variable	Indicator	*Convergent Validity*			*Internal Consistency Realiability*	*Discriminant Validity*
		***Loa-dings* >0,70**	***Indicator Reliability* >0,50**	***AVE* >0,50**	***Composite Relability* 0,60-0,90**	***HTMT confidence interval does not include 1***
Entrepreneurial Creativity (X)	X.1	0.726	0.726	0.653	0.862	Yes
	X.2	0.849	0.849			
	X.3	0.844	0.844			
	X.4	0.806	0.806			
	X.5	delete	delete			
	X.6	delete	delete			
Marketing Performance (Y)	Y.1	0.817	0.817	0.666	0.889	Yes
	Y.2	0.866	0.866			
	Y.3	delete	delete			
	Y.4	0.793	0.793			
	Y.5	0.787	0.787			
Protection of Competitiveness Mechanism (Z1)	Z1.1	0.832	0.832	0.636	0.897	Yes
	Z1.2	0.731	0.731			
	Z1.3	0.871	0.871			
	Z1.4	0.717	0.717			
	Z1.5	0.823	0.823			
Product Innovativeness (Z2)	Z2.1	delete	delete			
	Z2.2	0.840	0.840	0.759	0.863	Yes
	Z2.3	0.901	0.901			

Source: Data collected October 2020 – February 2021

Based on the picture above, all indicators of each of the entrepreneurial, creative constructs (X), marketing performance (Y), protection of competitiveness (Z1), and product creativity (Z) have a Loading Factor above 0.5. So it can be concluded that all indicators of the results are valid. In the entrepreneurial creativity variable (X), judging from the weight value of the factor, the X2 hand is strongest in reflecting the entrepreneurial creativity variable, compared to the indicator X3, X4 followed by X1. The marketing performance variable (Y) on the Y2 indicator is most robust, followed by Y1, Y4 and lowest Y5. In addition, the variable Z1 as a mediation function, namely protection of competitiveness mechanisms, has the most vital indicators on Z1.3, then Z1.1, Z1.5, Z1.2 and the lowest Z1.4. The innovative variable reflects the highest hand at Z2.3, followed by Z2.2.

Discriminant Validity

Discriminant Validity evaluation begins with a look at cross-loading. The cross-loading value indicates the correlation between each construct and its indicator and indicators from other block constructs. Furthermore, Table 4 shows a discriminant validity index based on the Fornell-Larcker criterion values. The result is the square root value of AVE ≥ 0.80; and more than the correlation value between variables (Cheung & Wang, 2017; Fornell & Larcker, 1981). Because the validity and reliability of our data instruments have met the minimum required value (cut-off), we proceed to test the model of relationships between variables. Based on the table above, it has a higher value than other variables, so it can be concluded that the model already has good discriminant validity.

Table 4. Discriminant Validity Measurement

Variable	Product Innovativeness (Z2)	Marketing Performance (Y)	Entrepreneurial Creativity (X)	(Z1)
Product Innovativeness (Z2)	0.871			
Marketing Performance (Y)	0.571	0.816		
Entrepreneurial Creativity (X)	0.430	0.801	0.808	
Protection Mechanism (Z1)	0.696	0.844	0.786	0.797

Source: Data collected October 2020 – February 2021

4.2. Analysis of Inner Models (Structural Models)

The most common measure used to evaluate structural models is the coefficient of determination (value R^2). This coefficient measures the predictive power of a model and is calculated as a quadratic correlation between an actual value and a particular endogenous construct prediction. R^2 values range from 0 to 1, with higher levels indicating a higher level of predictive accuracy. It is difficult to give a rule of thumb for an R2 value, as this depends on the complexity of the research model and the research discipline. While the R2 value of 0.20 is considered high in fields such as consumer behaviour. In scientific research focusing on marketing issues, the R2 value is 0.75; 0.50 or 0.25 for endogenous latent variables is used as a high, medium, or weak benchmark (Joe F. Hair et al., 2011; Henseler et al., 2009). Here is the test of the path coefficient of the structural model

Table 5. Structural Model path coefficient testing

Variable	R Square	Adjusted R Square
Marketing Performance (Y)	0.764	0.761
Protection Mechanism (Z1)	0.774	0.773

Source: Data collected October 2020 – February 2021

The table above shows the value of R square influence of entrepreneurial creativity and product innovativeness of 0.774. The protection of competitiveness mechanisms can be explained by entrepreneurial creativity, entrepreneurial creativity and product creativity. Other unscrutinised variables explained the remaining 22.6%. R square the influence of entrepreneurial creativity, mechanism protection and creation innovatively to marketing performance (Y2) of 0.764, the remaining 23.6% is explained by other variables that were not studied.

4.3. Hypotheses Testing and Discussion

Hypothesis testing is done by looking at its probability value and t-count. The assessment criterion is that if the p-value < 0.05 or t-count > t-table, then the hypothesis is accepted.

Table 6. Hypothesis Testing

Hyphotesis	Estimate	P-Values	Conclusion
H1: Entrepreneurial Creativity → Protection of Competitiveness Mechanism	0.597	0.000	A
H2: Protection of Competitiveness Mechanism → Marketing Performance	0.510	0.000	A
H3: Entrepreneurial Creativity → Marketing Performance	0.377	0.000	A
H4: Product Innovativeness → Protection of Competitiveness Mechanism	0.439	0.000	A
H5: Product Innovativeness → Marketing Performance	0.054	0.425	R
H6: Entrepreneurial Creativity → Protection of Competitiveness → Marketing Performance	0.305	0.000	A

H7: Product Innovativensess → Protection of Competitiveness → Marketing Performance	0.224	0.000	A

(***) sig. 1%; (**) sig. 5%; A: Accepted R: Reject

4.4. Hypotheses Testing and Discussion

Based on the results of SEM-PLS analysis that has been done and presented in Table 6. The influence of entrepreneurial creativity (EC) on the protection of competitiveness mechanisms (POCM) has a pathway coefficient of 0.597 with a $p < 0.05$, which means that EC has a positive and significant effect on POCM. The results of this study show that the rule of law as a regulation, according to (Bol et al., 2019; Levie & Autio, 2011), has a substantial effect on strategic entrepreneurial entries because the rule of law protects them. The appeal of intellectual property rights to inspire creativity between industry and the educational environment with training courses on order processing and entrepreneurship endorsement (Minoda et al., 2011).

The influence of POCM on Marketing Performance (MP) amounted to 0.510 with $p < 0.05$, meaning POCM had a positive effect on MP. The effectiveness of innovation protection mechanisms in service companies such as patents, intellectual property rights, confidentiality, and resources is speed support for marketing and having strong competitiveness relationships (Cho et al., 2012; SB Choi, 2012; Zhang & Qu, 2020).

While the influence of EC on MP has a path coefficient of 0.377 with $p < 0.05$, then EC has positive implications for MP. This is in line with the research of Setyawati et al., (2020) to produce excellent marketing performance in addition to an entrepreneurial orientation, entrepreneurship to be creative needs to be driven by locus control, independence and extraversion behaviour. Creativity and intellectual capital positively affect a company's performance from marketing results (Ferreira et al., 2020).

The effect of Product Innovativeness (PI) on MP has a path coefficient of -0.054 with a $p > 0.05$; it is known that PI negatively affects MP. From the findings of the Edeh et al., (2020) study for middle-income countries such as Nigeria empirically, the impact of individuals and product and non-technological innovations on the export performance of MSME marketing has a negative effect. However, different things are considered vital elements that can increase productivity levels for marketing performance (Cieślik & Michałek, 2017).

The influence of EC and PI through POCM on MP has a path coefficient of 0.305 and 0.224 with $p < 0.05$, which means that KK and KIP through POCM have a positive and significant effect on MP. Companies in knowledge-intensive industries often use unfamiliar informal channels for intellectual capital acquisition. The protection of competitiveness mechanisms contributes to protecting what is ethical and accepted and then changed due to the sanative espionage practices of one's creativity and innovativeness to support marketing performance (Costa et al., 2016; Fernandez, 1994; Huang et al., 2018; Solitander & Solitander, 2010).

5. CONCLUSION

The inconsistency of creativity in marketing performance can give positive results from the mediation protection of competitiveness mechanisms. The results of providing new knowledge have significant influences either directly or indirectly. Resources that are not easy to find or are not available to buy and sell are only sourced from creativity and innovation. Because of the nature of immobile, the heterogeneity nature of resources can last a long time. In other words, the potential for comparative advantage in improving marketing performance can be derived from the creativity and innovativeness of resources that are rare or difficult for competitors to possess.

5.1. Managerial Implication

The theoretical implications of this study are based on proactive innovation and reactive innovation in Hunt & Arnett, (2003). The ability to renew or renew competencies becomes a trigger for creativity and innovation in visionary innovation. Meanwhile, the reactive invention seeks to neutralize and or exceed the advantages of other companies by gaining resources. Limitations in this study from the results of the hypothesis test there is a negative relationship of product innovation in marketing performance. The population taken is only done by one place with limited data retrieval amid a pandemic. The development of this study is suggested to be continued with the selection of new model concepts such as competitive position advantage, competition intensity, dynamic marketing capabilities that contribute to marketing science knowledge and have a practical impact on MSMEs.

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