

The Role of Competence and Communication in Improving Marketing Performance

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DOI: [10.36347/sjebm.2021.v08i06.005](https://doi.org/10.36347/sjebm.2021.v08i06.005)

| Received: 04.05.2021 | Accepted: 10.06.2021 | Published: 20.06.2021

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Abstract

Original Research Article

Marketing activities can provide consumer satisfaction if they want their business to continue. The purpose of this study is to examine the effect of competence and communication on competitive advantage and the influence of competence, communication, and competitive advantage on marketing performance. The sample in this study was 100 respondents using the SPSS version 16.00 analysis tool. After testing the hypothesis, it was found that there was a significant positive effect of competence and communication on competitive advantage. Significant positive influence between competence, communication and competitive advantage on marketing performance.

Keywords: Competence, communication, competitive advantage and marketing performance.

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INTRODUCTION

One of the problems faced by Micro, Small and Medium Enterprises (MSMEs) in Indonesia in general, as well as MSMEs in Semarang Regency in particular, is marketing. Marketing is one of the main activities carried out by entrepreneurs in an effort to maintain their survival, to develop and earn a profit. The marketing process begins long before the goods are produced and does not end with sales. The company's marketing activities must also be able to provide satisfaction to consumers if they want their business to continue, or consumers have a good view of the company. Marketing includes a company's business that starts with identifying consumer needs that need to be satisfied, determining the product to be produced, determining the price of 2 products. Accordingly, determine the means of promotion and distribution or sale of these products. Apart from marketing issues, things that need to be considered in MSMEs require separate tips to gain a competitive advantage.

The results of the research on the performance of the SME business of factory waste craftsmen show that there are still many less successful businesses in marketing, further research is needed on the marketing performance of the factory waste business in Semarang district, Shoimin (2014) states that generative learning theory is an explanation of how one builds knowledge in his mind, like building an idea about a phenomenon. Learning is divided into generative learning (actively

integrating new knowledge using pre-existing knowledge and adaptive learning (changes in responding to the development of a business environment), values that support learning are openness, willingness to listen to each other with customers, information that is widespread, the ability to keep up with the latest developments). Culture is all the thoughts, works, and works of humans that are not rooted in instincts and can be triggered after humans have carried out the learning process (Koentjaraningrat, 2002).

Tien-Shang Lee (2005) states the relationship between learning orientation and innovation in the goods and services industry in Taiwan. Research conducted by Calantone (2002) also states that innovation is positively related to performance. Heidy (2002) stated that the results of the study showed that there was a negative hypothesis between learning orientation and innovation, so that there was a contradiction in this relationship. Research by Pablo Javier Crespell (2007) states that there is a relationship between innovation and performance.

LITERATURE REVIEW

Competence

Competencies according to Spencer (1993) in Pfeffer, et al. (2003:109) are: The characteristics that underlie a person and are related to the effectiveness of individual performance in his work (an underlying

characteristic of an individual which is causally related to criterion referenced effective and or superior performance in a job or situation. Muhaimin (2004: 151) competence is a set of intelligent actions full of responsibility that a person must have as a condition to be considered capable of carrying out tasks in a certain field of work.

Prihadi (2004: 45-48), there are two uses of the term competency, namely: To refer to the area of work or role a person is able to perform competently. This meaning rests on a more general understanding according to the language dictionary and is related to occupation, which contains job descriptions and job output. Themes in this type of definition usually contain descriptions of job duties and job outputs. To refer to the behavioral dimensions that lie behind competent performance (efficiency orientation, result driven). The theme of this definition usually contains descriptions of the behavior, attitudes and characteristics of people in carrying out various job tasks to produce effective, outstanding or superior output positions.

Competence, according to Jack Gordon (1998), has 6 aspects contained in it, namely: Knowledge - Understanding - Ability - Value - Attitude - Interest.

COMMUNICATION

Communication is a regular pattern of relationships between individuals that can be identified as the exchange of information that a person experiences in their social system (Berger, 2014). To carry out good communication within the company it is necessary to have a relationship of understanding, the meaning is that the communication that is conveyed by one party and received by the other must be clear and easy to understand. Technically it can be said that the communication process involves, among others (Basu Swastha DH, 1989): 1) communicator: 2). The message to be communicated; 3. Communication channels: 4) communicants: 5) reactions / feedback.

Research conducted by Tippin and Sohi (2003) states the dimensions of the learning process through the dissemination of information by disseminating the knowledge gained to all parts, and interpretation by means of individuals who are informed to review the information they get and coordinate in the decision-making process.

The opinion of Thureau (2000) states that communication skills have a very strong influence on marketing success, therefore communication is very necessary, because with good communication it will increase someone to work, so that it will have an impact on creativity in innovation.

Competitive Advantage

Competitive advantage can be understood by looking at the company as a whole. Competitive

advantage stems from the different activities a firm undertakes in designing, producing, marketing, delivering, and supporting its products (Porter, 1985). Competitive advantage according to Day and Wesley is defined as different competition in terms of expertise and resources, which means showing what is being emphasized in the market, namely the existence of a positional advantage based on superior customer value and low costs, market share and profitable performance. Competitive advantage is a strong union between company excellence and organizational effectiveness in adapting to environmental changes (South, 1981). Competitive advantage is an elaboration of the reality of management which is a process to identify, develop and put a real advantage. All company resources that support competitive advantage are often used as research to be used as a basis for strategies that will be applied in the management of 22 companies (Rumelt, 1984 and Porter, 1985). Day and Wensley (1998) suggest that the integration of the basic competitive advantage of the capabilities and resources of the organization is a determining factor for its position and relative performance compared to competitors. Activities from the company's performance in particular will be the basis for building sources that have a competitive advantage.

Marketing performance

Augusty, (2006) Companies that perform well will be seen in their high financial performance, for example, availability of funds, efficient and effective use of funds, which can be seen in various financial ratios, for example in various financial ratios, including: liquidity ratios, activity, solvability, and profitability. Pelham, Alfred M (1997) suggests that marketing performance is influenced by three things, namely company effectiveness, growth/portion, and profitability. Meanwhile, the effectiveness of the outlet includes three things, namely; (1) the quality of a product (relative product quality) (2) the success of a new product (new product success) (3) always maintaining customers (customer retention).

The relationship between variables

The relationship between competence and competitive advantage

Competence is knowledge and skills that can be realized in technology related to the abilities possessed by individuals, therefore marketers in the company must be able to manage the combination of skills and abilities that exist in marketers, so that marketers can improve their performance. The ability of marketers to have the skills to run well, for example offering products well or successfully to customers, will be able to achieve the goals that have been set, so that the company can increase sales.

Measurement of competitive advantage in the research of Day and Wensley (1988) states that there

are two steps in achieving competitive advantage, first is resource advantage which consists of expertise and advantages in raw materials, then the second is position advantage which consists of advantages in relatively low costs and competitive advantage. Value advantage for customers. Competitive advantage according to Day and Wensley (1988) has two different meanings 1) focusing on superiority, concerning skills, expertise or also called resources owned, 2) competitive advantage from performance results, or capabilities.

Competence is real knowledge and skills that are reflected in technological expertise (Prahald, 1994). Companies tend to manage their resources to increase efficiency and effectiveness. The resources owned by the company are all real and intangible assets tied to companies that are relatively permanent (Mosakowski, 1993), or in the form of resources and capabilities, with Thus the competence that is carried out will be able to increase competitive advantage.

The relationship between communication and competitive advantage

The process of seeking opportunities itself is inseparable from the reliability in managing information / communication (Kotler and Roberto, 1989), filtering out so much information provides a better chance of earning a profit and the company is also able to compete competitively. All of these problems will be able to be carried out if supported by human resources of adequate quality. The development of information / communication management technology always requires trained and educated personnel who can use computers and understand very well about information.

The principle emphasized by McLeod (1996: 13), there is no reason for the business world to demand that its managers understand communication. These knowledges include an understanding of the advantages and disadvantages of information to an adequate level. On the other hand, understanding information/communication includes how to use information / communication in line with the stages and procedures for solving problems and how to share information/communication with people around the company to support it.

The use of information / communication technology is needed for competitive advantage and to increase company profits, but the problem that often arises is how to manage so much information in the company's life cycle; Information as one of the company's resources should provide equal opportunities in addition to human resources, machines, capital and material resources. Responding to this problem, companies should pay great attention to information management.

Myers and Myers, (1998) state that knowledge of information plays a decisive role in solving problems

in companies such as production and regulation, renewal (innovation) and socialization and maintenance of all access to informatics that the company has.

The relationship between competence and marketing performance

Competence is a key determining factor for someone in producing excellent performance. As well as giving a signal, that the organization is well managed and fundamentally will produce effective management behavior. So that it can identify what competencies are needed in all jobs in the organization as well as competencies in certain jobs, competence is the most important stage in the company, and then competence is identifying with the level of competence possessed by employees and prospective employees accurately. Determination of the level of competence is needed in order to know the level of performance expected for the good or average category. Determination of the required competencies will of course be used as a basis for performance evaluation.

Competence is said to be one of the factors that influence performance. Competence is needed to help organizations to create a high performance culture. The number of competencies used by human resources will improve performance (Wibowo, 2012: 323). Sriwidodo and Haryanto (2010) expressed their opinion that the performance and effectiveness of employees in carrying out tasks is largely determined by the competencies required by the field of work. This is supported by research conducted by Winanti (2011) in his research which also concludes that competence has an effect on employee performance. Research conducted by Qamariah and Fadli (2011) also obtained research results that competence has a significant and positive influence on performance.

Relationship between communication and marketing performance

Trijaya's research (2012) suggests that communication has a significant effect on employee performance. Hariyanti and Primawesri (2011) also suggest that communication has a positive effect on employee performance through organizational commitment. Meanwhile, Rachmadi's research (2010) shows that communication has a significant effect on employee performance.

Robbins' theory (2013) which suggests that communication helps a person's development by explaining to employees what to do, how they work well and what to do to improve performance. Several studies that have been conducted have found that there is a direct positive relationship between communication and employee performance.

The relationship between competitive advantage and marketing performance

Competitive advantage comes from the different activities carried out by companies in

designing, producing, marketing, delivering, and supporting their products (Porter, 1985), competitive advantage exists if there is a match between the competencies possessed by the company and existing resources, to be managed properly. Good, so as to produce products that consumers demand.

The concept of competitive advantage according to Hunt and Morgan (1995) is a change from comparative advantage in resources and competitive advantage regarding the achieved market and superior financial performance. Day and Wensley, Hunt and Morgan (1995) stated that potential resources can be categorized as financial, physical, legal, human, organizational, information from consumers, suppliers and customers. Thus a company occupies a position of competitive advantage because it has a comparative advantage in resources, producing superior value at lower costs.

Market performance is an organization's ability to make changes in the face of challenges that come from the long-term environment (Keats et al., 1988), meaning that companies must always respond to environmental changes, because the environment will always change all the time, so companies with all their efforts to be able to overcome these changes, with the right ways or strategies in order to adapt to environmental changes, if environmental changes to the products produced by the company are less attractive to the market, the company must immediately overcome these problems to find solutions to overcome these product problems.

Day and Wesley (1988) different competition in the advantages of expertise and resources, shows a product that is successful in the market, thus products that have an advantageous position in the market will have product quality and cost advantages, thereby increasing performance.

Homburg and pflesser (2000) stated that competitive advantage in this study can be seen with 3 indicators, namely: (1). Product uniqueness, (2) product quality, (3). Competitive prices, thus companies that implement a low-cost strategy will attract customers, ultimately improving performance.

Based on the description above, an empirical model can be made as follows:

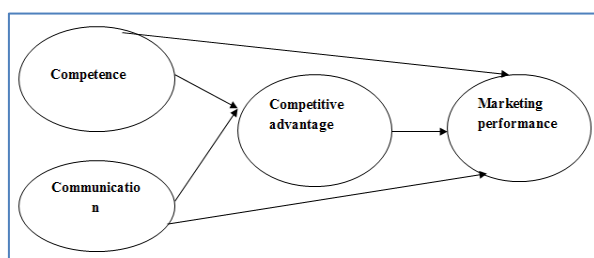


Fig-1

RESEARCH METHODS

The population in this study was all businesses of factory waste craftsmen with a total of 150. The sampling technique used was convenience random sampling, that is, by finding businesses that are easy to find factory waste craftsmen. The number of samples is calculated using the slovin technique, namely the minimum sample obtained is 100 samples.

$$\text{Slovin formula, } n = \frac{N}{1 + N(e)^2}$$

Where: n = Number of Samples

N = Total population

e = percentage of allowance for inaccuracy due to sampling error that can still be tolerated or desired (10%)

Observation directly, in order to obtain valid data. Questionnaires were distributed to the business of factory waste craftsmen to be filled in from culture-based generative learning variables, FGD (Focus group discussion). This technique is used to obtain information through directional discussions.

Data was collected using closed questions by submitting statements in a questionnaire made using a scale of 1 to 7. For the category of statements with answers ranging from Strongly Disagree (STS) to Strongly Agree (SS), with the following form of answers:

- 1 = Strongly disagree
- 2 = Agree
- 3 = Disagree
- 4 = Agree
- 5 = Strongly agree

The analysis technique uses multiple linear regressions with ordinary least square, which is a regression model that produces the best unbiased linear estimator. In the analysis there are three models, namely the model:

$$1. \text{ Regression Model 1: } Y_1 = X_1 + 2X_2 + e$$

Competitive advantage as the dependent variable, and competence and communication as independent variables

$$2. \text{ Regression Model 2 : } Y_2 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Performance as the dependent variable, and compensation, communication and competitive advantage as independent variables

ANALYSIS RESULTS

Through the use of the Statistical Package Social Solution version 19.00 program, 2 regression models were generated as follows:

1. The effect of competence (X₁), communication (X₂), on competitive advantage (Y₁) obtained

$$\text{regression model 1: } Y_1 = 0.324 X_1 + 0.189 X_2$$

Table-1: Competency, Communication, Multiple Regression Coefficients against Competitive Advantage

No	Variable	Koefisien	T count	probability
1	Competence (X ₁)	0,324	4,334	0,000
2	Communication (X ₂)	0,189	2,505	0,013

Dependent variable: Competitive advantage

Source: Processed Primary Data, 2021

Through the Adjusted R² test, a value of 0.428 was obtained, meaning that the power of the model could explain 42.8%, and it was also proven to be fit and unbiased because it was free from violations of classical and significant assumptions, it was proved that the probability value (Sig. F) = 0.000, and the significance value of t for the three. the independent variable has a chance of less than 0.05. In conclusion, the hypothesis which states that there is an influence of

the competency variable (X₁), communication (X₂), as an independent variable on competitive advantage (Y₁) is accepted.

2. The effect of competence (X₁), communication (X₂), and competitive advantage (Z) on performance (Y₂) obtained regression model 2: $Y_2 = 0.183 X_1 + 0.355 X_2 + 0.193 X_3$.

Table-2: Training, Compensation and Communication Multiple Regression Coefficients against Employee Performance

No	Variable	Koefisien	T count	Probability
1	Competence (X ₁)	0.183	2.261	0.014
2	Communication (X ₂)	0.355	4.345	0.025
3	Competitive Advantage (X ₃)	0.193	2.498	0.014

Dependent variable: Performance

Source: Processed Primary Data, 2021

Through the Adjusted R² test, a value of 0.428 was obtained, meaning that the power of the model could explain 42.8%, and it was also proven to be fit and unbiased because it was free from violations of classical and significant assumptions, as evidenced by the probability value (Sig. F) = 0,000, and at the value. the significance of t for the three independent variables is less than 0.05. In conclusion, the hypothesis which states that there is an effect of competence (X₁), communication (X₂), and competitive advantage (Z) variables on performance (Y₂) is accepted.

Based on the results of the analysis and testing of the above hypotheses, a path diagram model can be made as follows:

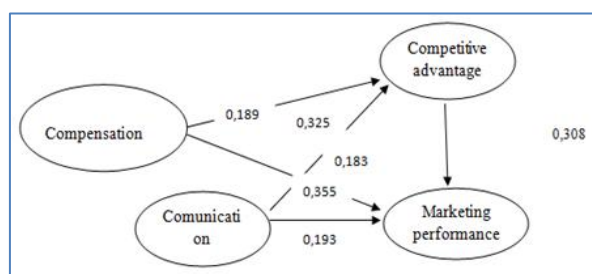


Fig-2: Path Chart

DISCUSSION

Based on the results of the research and the results of the analysis and hypothesis testing, it can be concluded that:

1. The influence of competence on competitive advantage

Through multiple linear regression testing, it is proven that competence affects competitive advantage significantly with a coefficient of 0.189, while the category of competency influence ranks second. Competence is very necessary to develop an organization. Human Resources who have high competence, are needed for the success of the organization to achieve competitive advantage, its capabilities and competencies.

2. The Effect of Communication on Competitive Advantage

Through multiple linear regression testing, it is proven that communication affects competitive advantage significantly with a regression coefficient of 0.183, while the category of the influence of communication on competitive advantage is in the lowest position of the two research variables. This states that good communication between human resources will provide a harmonious atmosphere so that employees will perform well. Management elements must be able to choose the right channel, and take advantage of the feedback to make communication more effective. Whatever the sender's expectations, the message encoded in the receiver's mind describes the receiver's reality which will determine competitive advantage.

3. The Effect of Competence on Marketing Performance

Through multiple linear regression testing, it is proven that competence affects performance significantly with a regression coefficient of 0.355. Competence is very necessary to develop an organization. Human Resources who have high competence, are needed for the success of the organization to achieve performance. Competence is real knowledge and skills that are reflected in technological expertise (Prahald, 1994). Companies tend to manage their resources to increase efficiency and effectiveness. Resources owned by the company are all real and intangible assets tied to the company that are relatively permanent (Mosakowski, 1993), or in the form of resources and capabilities.

4. The Effect of Communication on Performance Should be marketing performance

Through multiple linear regression testing, it is proven that communication significantly affects performance with a regression coefficient of 0.193. This states that good communication between HR will provide a harmonious atmosphere of its own so that employees will perform well. Management elements must be able to choose the right channel, and take advantage of the feedback to make communication more effective. Whatever the sender's expectations, the message encoded in the receiver's mind describe the receiver's reality that will determine performance?

In Trijaya's research (2012), compensation, training and communication have a significant effect on employee performance and the dominant variable is compensation. Hariyanti and Primawesri (2011) also stated that motivation and communication have a positive effect on employee performance through organizational commitment. While research by Rachmadi (2010) motivation, participation, and communication have a significant effect on employee performance.

5. The Effect of Competitive Advantage on Performance Should be marketing performance

Through multiple linear regression testing, it is proven that competitive advantage significantly affects performance with a regression coefficient of 0.308. Managers realize that to improve their marketing performance, the company must first create a competitive advantage. The results of this study are in accordance with previous research by Setyawati and Rosiana (2015) which states that competitive advantage has a positive and significant effect on marketing performance.

CONCLUSION

- 1) Product and technology excellence, in order to be a good doormat product, the doormat business must show outstanding products that will be able to

make customers wait eagerly for new products to be launched.

- 2) The fabric waste business from this factory has product characteristics, namely: Invisible stitches (looks smooth, and can produce various kinds of goods.
- 3) Information on the advantages of competitors, more attention, so that our doormat products are better than competitors' products, by way of deficiencies in the doormat product being repaired, for example by increasing the tidiness of the sewing work. To improve sales performance, which results are still not increasing, the doormat business should be more active.

Managerial implications

- 1) The need to provide clear information, some respondents answered quite well, namely about providing suggestion boxes, adjusting customer budgets, listening to and receiving suggestions from customers directly, accommodating customer ideas via phone or sms, accommodating customer complaints directly
- 2) The need to have knowledge of mats, but limited to, knowledge of today's mats, knowledge of customer tastes, knowledge of good sewing
- 3) In improving performance, it is able to increase sales volume although there are some that are still, growing by 20% 25%, Stagnating and strengthening, 80% - 85%

Future research agenda

It is better if in improving marketing performance not only competency, communication and competitive advantage variables but also other variables such as market orientation, learning orientation, market sensing ability, promotion, integrated communication channels.

RESEARCH LIMITATIONS

In the research carried out on the factory waste business in Semarang district, it would be better if the research was carried out on the factory waste business in the province of Central Java as well as the doormat business in Indonesia.

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