

THE ROLE OF COMPETITIVE ADVANTAGE MEDIATES THE INFLUENCE OF INNOVATION, MARKET ORIENTATION AND PROMOTION ON MARKETING PERFORMANCE (STUDY: CREATIVE INDUSTRY OF TRADITIONAL IKAT WEAVING FABRICS IN BALI)

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ABSTRACT

This paper presents a critical analysis of Neo-Gramscianism, a theoretical framework rooted in the works of Antonio Gramsci, especially regarding its understanding of hegemony. While Neo-Gramscianism offers valuable insights, this study seeks to unveil its inherent limitations. Departing from the question of, “Do the concepts provided by Neo-Gramscian about Hegemony solve the problem of marginalized communities?” and using Frankfurt School’s critical theory as the analytical framework, the analysis highlights several key flaws. Firstly, the epistemological failure it reflects, the overemphasis on two-way hegemony or by consent has overlooked a significant factor, which is the inevitable resistance of subaltern class. This paper concludes that the promised two-way hegemony initiated by Robert Cox fails to solve the problem of marginalized communities, since it is inherently not a Critical Theory, by its utilization of power relations, top-down approach, and most importantly, centralization of power.

KEYWORDS Neo-Gramscian; Hegemony; Critical Theory; World Order; Historical Change



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INTRODUCTION

The COVID-19 pandemic has had a significant impact on Indonesia's creative economy sector. However, the impact actually created a more dynamic and developing creative economy trend. If tourism trends present a quality and meaningful vacation experience, the 2024 creative economy trend is heavily influenced by rapid technological developments. Thus, encouraging creative economy actors to continue to develop in order to be able to compete in the global market. It is estimated

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that the creative economy sector in 2024 will grow by 90.48% compared to 2022. Culinary is a creative economy subsector that has the potential to experience the fastest growth in 2023-2024. Followed by the FAV (film, animation, video), fashion, applications, crafts, game developers, music, photography, and performing arts (<https://kemenparekraf.go.id>) subsectors. The role of the creative economy is a source of income, labor and a multiplier of a wide effect on a country's economy.

Economic factors have a very big role in social change, especially in rural communities. Rural economic development, especially in Bali, is actually inseparable from the development of tourism in this area. Some villages have changed their socio-cultural characteristics due to tourist visits to the villages. Rural communities in Bali have high responsiveness and creativity in responding to tourism developments that directly have an economic impact and improve the welfare of their people. Weaving is a cultural activity that has long developed in Bali. Initially, these cultural activities were only a community tradition in several villages in Bali, the results of which were mostly to meet the needs of the people in the village. At this time, weaving is not only a side job or a time filler, but weaving activities have developed into a creative industry.

Ikat weaving in Bali has been around since ancient times and is an integral part of the life and culture of the Balinese people. The main raw materials for ikat weaving are natural fibers such as cotton, silk, or other plant fibers. The production process involves several steps such as spinning the yarn, dyeing it using natural or synthetic dyes, and then weaving it with a distinctive tie pattern. One of the characteristics of Balinese ikat weaving is the complex ikat pattern and bright and attractive colors. Each ikat pattern has its own meaning and symbolism, and often represents cultural values or natural motifs. Ikat weaving is not just a handicraft product, but also has an important role in Balinese cultural life. Ikat woven fabrics are used in various traditional ceremonies and rituals, as well as as part of traditional clothing or everyday clothing. In recent years, the ikat weaving creative industry in Bali has experienced rapid development. Many local artisans and villages in Bali are trying to maintain the tradition of ikat weaving while dealing with it with innovation and contemporary design. Along with the growth of this creative industry, the marketing of Balinese ikat woven fabrics has also developed. Many artisans are taking advantage of the tourism market in Bali to market their products, both through local shops and through online platforms. There are several challenges faced by Balinese Ikat weavers such as competition with imported products, raw material sustainability issues, and lack of wide market access.

In addition to the above problems, the problem of digital technology is also a challenge for Balinese ikat weavers. Today, many woven fabrics such as songket are digitally printed and produced in large quantities. This phenomenon can threaten the production of traditional Balinese songket fabrics. The production of songket fabric with digital printing makes the price cheaper compared to traditional songket. Currently, ikat weaving artisans in Bali always maintain the quality of their products, so that the selling price is higher than that of factory made (<https://diskominfo.baliprov.go.id>). This phenomenon is what causes Balinese weaving to almost experience nobility. In addition, the regeneration of Balinese ikat weavers and buyers is not developing. In addition, the proliferation of embroidery weaving

on the market at a cheaper price is also a problem faced by traditional Balinese weavers. Seeing this phenomenon, the Bali Provincial Government through Bali Governor Regulation Number 99 of 2018, issued a regulation on the marketing and utilization of Bali's local agricultural, fishery and industrial products. With this regulation, it is hoped that people love domestic products and use products produced by their own regions (<https://atnews.id>).

In order for the traditional ikat weaving industry in Bali to continue to exist in the future, apart from government regulations, ikat weaving actors must be able to compete. *Competitive advantage* or competitive advantage is a profit strategy of companies that cooperate to compete more effectively in the market (Afiyati et al., 2019). The use of competitive advantage can have a positive impact on marketing performance. Innovating is one of the most important competitive factors to achieve success where the business environment is always changing rapidly. The role of micro, small, and medium enterprises (MSMEs) is vital in encouraging the pace of national economic growth. Marketing innovation is an integral component of a company's success. Marketing innovation is more emphasized on the marketing performance of MSMEs as competitiveness. Product innovation is very important for a company with the aim of maintaining the value of product benefits for consumers. Marketing innovation and product innovation that can continuously improve innovative performance. Innovative performance can be improved through competitive advantage where competitive advantage can be created by innovating (Hassidiqi et al., 2021).

Marketing innovation can be done by conducting sales promotions on the results of the products owned, and can also apply a green marketing mix. MSME actors expect socialization and assistance to get more detailed information related to regulations or policies and the introduction of the latest innovation models. According to (Afiyati et al., 2019) In determining the policies taken for innovative performance, it is very necessary to build marketing performance.

In addition to innovation, market orientation also greatly determines the competitive advantage of a company. Market orientation is an effective and efficient organizational culture that creates the behaviors needed to create superior value for buyers and produce superior performance for the company, in a fiercely competitive environment. Market orientation is defined as a process and activity related to customer creation and satisfaction by continuously assessing customer needs and desires (Rahmadi et al., 2020a). The implementation of market orientation will bring improved performance for the company (Nawangsari et al., 2023).

Promotion or promotion is an activity that communicates information and sellers to buyers or other parties in a channel to influence consumer attitudes and behaviors, according to (Assauri, 2018) The company's efforts to influence by seducing (*Persuasive Communication*) potential buyers, through all marketing reference elements (Nawangsari et al., 2023).

Marketing performance or commonly known as marketing performance is a measure of achievement obtained from the overall marketing process activities of a company or organization (Nofrizal. et al., 2020). In addition, marketing performance can also be seen as a concept used to measure the extent to which market performance has been achieved by a product produced by a company (Bakti &

Aaron, 2021). Some of the dimensions used in assessing marketing performance are: Sales turnover, which is the number of sales of the company's products; sales return, which is the number of product sales that are returned; the reach of the marketing area, which is the breadth of the product marketing area; and an increase in sales, namely the number of sales that increased from the period (Puspranoto, 2021). Marketing performance itself is known to be influenced by several factors including competitive advantage (Puspaningrum, 2020).

The survival of a company in the future is largely determined by the company's good or bad performance. Not only large-scale companies, small-scale companies such as small and medium-sized industries also need the effectiveness of good marketing performance. This research was conducted on the Ikat Weaving Creative Industry in Bali Province. The ikat weaving industry is included in the small and medium sector businesses. In order to increase business establishment, it is necessary to be economically empowered in order to improve people's welfare. For this reason, the role of the government is important in empowering local resources by playing an active role in preserving, protecting, and empowering Balinese Traditional Ikat Weaving Fabrics. For this reason, in this case, the Bali Provincial Government has issued Bali Provincial Regulation Number 4 of 2020 concerning the Strengthening and Promotion of Balinese Culture and the Circular Letter of the Governor of Bali Number 4 of 2021 concerning the Use of Balinese Woven Fabrics (www.djpb.kemenkeu.go.id). The main purpose of this Bali Provincial government regulation is to improve the economy of the Balinese people through small and medium industries (Purmiyati & Rahmawati, 2024).

The government's efforts will be realized if all components of society take part in implementing the regulation. The government's support for the empowerment of the ikat weaving creative industry in addition to maintaining local culture, the most important thing is to help the welfare of the community, especially ikat weaving artisans in Bali Province. The support of the government and the community will not be able to be realized if the ikat weaving business actors do not have the competence to manage their business. For this reason, ikat weaving industry players must also play a role in strengthening marketing performance and innovating in product development in order to be able to maintain the effectiveness of their company's performance. The Bali Provincial Government issued a regulation on strengthening local industries that are small and medium scale with the hope that they will continue to exist and grow every year. However, the existence of small and medium industries, especially Balinese ikat weaving, tends to decline every year. Based on data from the Bali Provincial Disperindag, the Balinese ikat weaving industry every year has experienced a significant decline. In more detail, the decrease in the number of ikat weaving industries in Bali is as follows.

Table 1. Number of Ikat Weaving Industry in Bali Province

Regency/City	Number of Ikat Weaving Industries		
	2019	2020	2021
Denpasar	2	2	2
Badung	2	2	2

Gianyar	9	9	9
Bangli	14	11	11
Klungkung	23	16	11
Karangasem	11	8	8
Buleleng	4	2	2
Jembrana	10	8	8
Total	75	58	53

Source: Bali Provincial Disperindag

Based on the data in table 1, from 75 ikat weaving industries in 2019 to 58 industries in 2020 or a decrease of 23% and in 2021 to 53 industries or a decrease of 9% compared to 2020. Based on the research gap and empirical data that have been described above, this study will be examined about what factors affect marketing performance and how far competitive advantage mediates the influence of innovation, market orientation and promotion on the marketing performance of the creative industry of traditional ikat weaving fabrics in Bali.

RESEARCH METHOD

When analyzing the relationship between independent variables and dependent variables in this study, *Partial Least Square (PLS)*. Therefore, there are not many assumptions required in the implementation of this method so that it is practical to do, including not requiring normal distribution assumptions. In addition, this method is very popular in complex research supported by low theory (Ghozali & Umiarso, 2010). Superiority *PLS* is an analysis method that can be applied to the data scale without exception, requires few assumptions and the sample size does not have to be much (Darmanto et al., 2018). Then the advantages of PLS can be useful for building variable relationships that do not have a theoretical basis in addition to its function can be used for theoretical confirmation.

RESULT AND DISCUSSION

The Influence of *Innovation on Competitive Advantage*

With a coefficient of 0.208 and a P value = $0.013 < 0.05$, it can be concluded that innovation has a positive and significant influence on competitive advantage. This result means that innovation has a very important role in creating and maintaining a competitive advantage for an organization or company. Innovation in business processes can improve operational efficiency. For example, the application of automation technology or the use of the latest software can speed up the production process, reduce costs, and improve quality. With higher efficiency, companies can offer products or services at more competitive prices without sacrificing profit margins. Innovation allows companies to create products or services that are unique and different from competitors. By offering something different, whether in terms of features, design, or customer experience, a company can appeal to a specific market segment and reduce price sensitivity. Effective differentiation makes customers more loyal and increases product appeal.

Overall, innovation is key to creating and maintaining a competitive edge. Companies that are able to integrate innovation in every aspect of their operations and strategies will be better prepared to face market challenges and secure their position in the industry. In the ever-changing business world, innovation is no longer an option, but rather a need to stay relevant and competitive. These results are in line with research (Mugni et al., 2022) that found a strong relationship between innovation with competitive advantage. This means that the better the innovation carried out by the company, the higher the company's competitiveness. Other researchers are (Rosyida & Yamit, 2022) It also found that product innovations carried out by the company have a significant and positive impact on the company's competitive advantage. However, the research conducted by (Hassydiqi et al., 2021) find different results. The results of his research found that although the company made good initiatives, it did not have an impact on the company's competitive advantage.

The Influence of Market Orientation on Competitive Advantage

The test results where the coefficient of 0.421 and P value = $0.002 < 0.05$ can be interpreted that market orientation has a positive and significant influence on competitive advantage, which means that the hypothesis is accepted. The results of this research indicate that market orientation is an approach that puts customers as the main focus in business decision-making. In other words, market-oriented companies seek to understand customer needs, wants, and behaviors, and tailor their products, services, and strategies to meet or exceed customer expectations. Market orientation has a significant influence on a company's competitive advantage. Market orientation allows companies to better understand their customers, including their needs, preferences, and buying behaviors. With a better understanding, companies can design products or services that are more in line with market needs. This makes the product or service more relevant and in demand by customers, which in turn can increase customer loyalty and create a competitive advantage.

Market orientation is an effective strategy to create and maintain a competitive advantage. By focusing on customers and markets, companies can develop more relevant products and services, increase customer satisfaction and loyalty, and respond to market changes more quickly and effectively. In the midst of increasingly fierce competition, market orientation is one of the main keys for companies to achieve long-term success. This is in line with the results of the study Conducted by (Mujahidah & Wiwoho, 2021). The results of his research found that Market Orientation or market omissions affecting Competitive Advantage or competitive advantage. Directly, market orientation has a positive and significant impact on competitive advantage (Oktavinus et al., 2020). Market orientation is a multidimensional concept that can be formulated through customer optimization, competitors and cross-functional coordination. As well as the company in determining Market Orientation or market orientation, the higher the company's ability to achieve competitive advantage. So it can be said that Market Orientation has a positive effect Competitive Advantage (Rahmadi et al., 2020b).

The Influence of Promotion on Competitive Advantage

Statistical testing yielded a coefficient of 0.316 and a P value = $0.012 < 0.05$, which means that the hypothesis that promotion has a positive and significant

influence on competitive advantage is acceptable. Based on the results of this study, it can be said that promotion is one of the important elements in the marketing mix that functions to communicate products or services to consumers and influence purchase decisions. In the context of fierce business competition, promotion has a significant role in creating and maintaining a competitive advantage. Effective promotion can increase consumer awareness of the brand or product. By using various promotional channels, such as advertising in mass media, social media, or digital marketing campaigns, companies can introduce their brands to a wider audience. Widely known brands have a greater chance of becoming consumers' top choice, which can provide a competitive advantage compared to lesser-known competitors.

Promotion plays a crucial role in creating and maintaining a competitive edge. Through effective promotion, companies can increase brand awareness, build a positive image, expand market share, and build customer loyalty. In a dynamic and competitive market, promotion is not only about grabbing consumers' attention, but also about differentiating brands from competitors and creating sustainable value for customers. Well-planned and appropriately executed promotions can be one of the key factors in achieving a sustainable competitive advantage. The results of the study are in line with the research Conducted by (Larisa et al., 2022) which found that promotion have a significant effect on competitive advantage. Marketing mix where one of the dimensions is promotion or promotion have an impact on increasing the company's competitive advantage Competitive Advantage (Sari et al., 2022). In general, the term promotion is used in marketing activities, and good promotions will have an impact on increasing buying interest from consumers so that it is able to increase the company's competitive advantage. With this, it can be said that promotion has a positive and negative effect on Competitive Advantage (Oktapriani et al., 2020).

The Influence of Innovation on Marketing Performance

Analysis with statistical tests produced a coefficient of 0.199 and a P value = $0.000 < 0.05$ which means that innovation has a positive and significant effect on marketing performance, which means that the hypothesis that innovation has an influence on marketing performance is also accepted. Thus, it can be said that innovation is one of the key factors that can drive the success of companies in facing increasingly fierce competition. Innovation is not only concerned with the development of new products, but also includes innovation in processes, business models, and marketing strategies. Marketing performance, which includes achieving marketing goals such as increased sales, market share, and customer loyalty, is heavily influenced by a company's ability to innovate. Product innovation allows companies to create superior products, both in terms of quality, features, and design, compared to products that are already on the market. Innovative products provide added value to consumers, making it easier to attract attention and meet their needs. This can increase demand, accelerate market adoption, and ultimately improve marketing performance in terms of sales and market share.

Innovation plays a crucial role in improving marketing performance. By adopting innovative approaches to product development, marketing strategies, and customer experience, companies can create greater value for consumers, strengthen brand differentiation, and improve operational efficiency. Continuous innovation

also allows companies to stay relevant in an ever-changing market, strengthen their competitive position, and achieve optimal marketing performance. In the dynamic business world, innovation is not only important to survive, but also to thrive and excel in the market. These results are in line with research (Wiryawan & Seminary, 2022) That is, market orientation has a significant and positive influence on marketing performance. Creativity or innovation For the company's products is a very important thing to do by every company. The more creative or innovative the products produced by the company, the more it will have an impact on the company's superiority. Thus it can be said that innovation or innovation that affects Marketing Performance (Harini et al., 2022). Innovation or innovation have a significant and positive influence on improving marketing performance or Marketing Performance (Rompis et al., 2022).

The Influence of Market Orientation on Marketing Performance

Statistical testing produced a Coefficient of 0.340, P Value = $0.000 < 0.05$ which can be interpreted that market orientation has a positive and significant effect on marketing performance, which means that the hypothesis is accepted. This result implies that market orientation is a business approach that focuses on understanding and fulfilling customer needs and wants. In market orientation, companies not only prioritize the products or services offered, but also strive to understand consumer behavior, market trends, and competitor strategies. By having a strong market orientation, companies can significantly improve marketing performance. Market orientation is centered on meeting customer needs and wants. By deeply understanding what customers want, companies can design products, services, and marketing strategies that match their expectations. When customers feel satisfied with the product or service they receive, the level of customer satisfaction increases, which in turn contributes to customer loyalty and better marketing performance.

Market orientation has a significant influence on a company's marketing performance. By focusing on understanding and meeting customer needs, companies can create more effective marketing strategies, increase customer loyalty, and strengthen their position in the market. Additionally, market orientation allows companies to be more responsive to market changes and improve marketing efficiency. All of this contributes to increased sales, market share, and overall marketing performance of the company. General tips Market Orientation or market orientation is often interpreted as an understanding of customer satisfaction and other stakeholder satisfaction. Companies that have a good market orientation will have an impact on their growth Marketing Performance or marketing performance (Pratama et al., 2022). (Wijaya et al., 2023) also found the same results. His research found that Market Orientation or market orientation affects marketing performance or marketing performance.

The Effect of Promotion on Marketing Performance

The statistical test with Smart-PLS produced a coefficient of 0.318, P value = $0.001 < 0.05$ which can be interpreted that the promotion variable has a positive and significant effect on marketing performance. This result means that promotion is one of the important components in the marketing mix that functions to communicate the value of products or services to consumers. Through promotion, companies can attract attention, influence purchasing decisions, and increase sales.

Therefore, promotion has a very significant role in determining marketing performance. Effective promotion can increase consumer awareness of a brand. By using various communication channels such as advertising, social media, and sales promotions, companies can introduce products or services to a wider audience. Increased brand awareness often leads to an increase in the number of potential customers interested in the product, which can then improve marketing performance in terms of sales and market share.

Promotion has a significant influence on marketing performance. Through effective promotion, companies can increase brand awareness, attract consumer interest, increase sales, and strengthen customer loyalty. In addition, well-designed promotions can help companies face market competition, improve the effectiveness of marketing communications, and build long-term relationships with customers. Thus, effective and strategic promotion is one of the main keys to achieving optimal marketing performance and business success in the long term. These results are in line with the research conducted (Mahdi et al., 2022), where the results of his research found that in essence promotional activities or promotion which is carried out by each company aims to introduce its products to or give confidence in the product to buyers. The better the implementation of promotions carried out by the company, the higher the company's marketing performance. This means promotion have a positive and significant effect on marketing performance. Promotion have a positive and significant effect on Marketing Performance (Agustina et al., 2020). Likewise, the research that (Amelia et al., 2022) which found that promotions carried out through social media had a real influence on marketing performance.

The Effect of Competitive Advantage on Marketing Performance

In the statistical test, a coefficient of 0.201 was produced, the value of $P = 0.036 < 0.05$, which means that the hypothesis that states the influence of competitive advantage on marketing performance is accepted, it means that there is a positive and significant influence between the competitive advantage variable on marketing performance. Competitive advantage is the ability of a company to offer a product or service that is superior to competitors, either in terms of quality, price, innovation, or other aspects that provide added value for consumers. A strong competitive advantage allows companies to maintain a position in the market, attract more customers, and create higher loyalty. Companies that have a competitive advantage tend to have an easier time winning the market and attracting customers from competitors. For example, products with superior quality or more competitive prices will be more attractive to consumers, which in turn increases the company's market share. This increase in market share directly contributes to improved marketing performance, especially in terms of sales volume and revenue.

Competitive advantage has a great influence on a company's marketing performance. By offering a product or service that is superior to competitors, companies can attract more customers, increase loyalty, and strengthen their position in the market. Additionally, a competitive advantage allows companies to execute more effective marketing strategies, improve efficiency, and maintain consumer trust. In the long run, a sustainable competitive advantage will ensure optimal marketing performance and overall business success. The results of this study are in

line with the results of research conducted (Noferizal et al., 2022), which found that product uniqueness, product quality and competitive prices affect marketing performance. Competitive advantage has a significant impact on marketing performance (Naninsih et al., 2022).

The Role of Competitive Advantage in Mediating the Influence of Innovation on Marketing Performance

The test results showed a VAF value = 0.577 or 57.7%. According to Hair et al. (2017) The VAF value of 57.7% is between 20% to 80% so it can be concluded that there is partial mediation. This means that the variable innovation able to directly affect variables Marketing Performance without going through or involving variables Competitive Advantage. In this case, competitive advantage plays an important role in partially mediating the influence of innovation on marketing performance. While innovation can have a direct impact on marketing performance, its influence will be stronger if it is supported by a clear competitive advantage. By leveraging the competitive advantage resulting from innovation, companies can increase the attractiveness of their products or services in the market, strengthen their competitive position, and ultimately improve overall marketing performance. Therefore, it is important for companies to focus on developing innovations that are not only creative but also provide a sustainable competitive advantage.

Innovation is one of the key factors that can increase a company's competitiveness in the market. Through innovation, companies can create new products or services, improve operational efficiency, and meet consumer needs in a better way. However, the influence of innovation on marketing performance is often not direct, but is mediated by other factors, such as competitive advantage. Competitive advantage can be seen as a bridge that connects innovation with marketing performance. When a company succeeds in developing innovations that provide a competitive advantage, this advantage will increase the attractiveness of the product or service in the eyes of consumers. These advantages can be better product quality, more competitive prices, more advanced features, or superior customer service. With competitive advantages, the company's innovations are more easily accepted in the market and recognized by consumers, which will ultimately improve marketing performance.

Innovation can also directly affect marketing performance without going through competitive advantage. For example, innovations in marketing strategies, such as the use of new digital technologies or creative approaches in advertising campaigns, can instantly increase marketing effectiveness and attract more customers. In this case, the innovation has a direct impact on marketing performance, such as increased sales, increased brand awareness, and market expansion. However, this influence can be stronger if the innovation is supported by a clear competitive advantage. Competitive advantage acts as a partial mediation when part of the influence of innovation on marketing performance occurs through competitive advantage, but there is still a direct influence of innovation on marketing performance without through competitive advantage. For example, product innovation can directly increase consumer interest and sales (direct influence). However, if the product also has unique features or benefits that are difficult for competitors to imitate,

this competitive advantage will strengthen the impact of innovation on marketing performance (indirect influence).

The Role of Competitive Advantage in Mediating the Influence of Market Orientation on Marketing Performance

The test results showed a VAF value = 0.296 or 29.6%. According to Hair et al. (2017) The VAF value of 29.6% is between 20% to 80% so it can be concluded that there is partial mediation. This means that the variable Market Orientation able to directly affect variables Marketing Performance without going through or involving variables competitive advantage. Competitive advantage plays an important role in partially mediating the influence of market orientation on marketing performance. While market orientation can directly improve marketing performance through a better understanding of consumer needs and rapid response to market changes, its influence will be stronger if it is supported by a clear competitive advantage. By developing a competitive advantage through effective market orientation, companies can increase the attractiveness of their products or services, strengthen their competitive position, and ultimately improve overall marketing performance.

Competitive advantage partially mediates the influence of market orientation on marketing performance when part of the influence of market orientation occurs through competitive advantage, but others occur directly. For example, a market-oriented company may identify opportunities to develop products that meet the specific needs of customers, which provides a competitive advantage. This competitive advantage then increases product attractiveness and marketing performance. However, part of the improvement in marketing performance may also come from the company's ability to respond to the market quickly and efficiently (direct influence). Market orientation can also have a direct impact on marketing performance. With a strong focus on customer needs and market analysis, companies can develop more effective marketing strategies, target the right market segments, and respond quickly to consumer trends. This direct impact is reflected in increased marketing efficiency, reduced marketing costs, and the achievement of higher sales targets. However, this influence can be more significant if it is supported by competitive advantages that come from the implementation of optimal market orientation.

The Role of Competitive Advantage in Mediating the Influence of Promotion on Marketing Performance

The test results showed a VAF value = 0.282 or 28.2%. According to Hair et al. (2017) The VAF value of 28.2% is between 20% to 80% so it can be concluded that there is partial mediation. This means that the variable promotion able to directly affect variables Marketing Performance without going through or involving variables competitive advantage. Competitive advantage plays an important role in mediating partially, the influence of promotion on marketing performance. While promotions can directly improve marketing performance through increased brand awareness and consumer appeal, the impact will be stronger if the promotion manages to highlight a clear competitive advantage. By using competitive advantage as the core of their promotional strategy, companies can increase the attractiveness of

their products or services, strengthen their competitive position, and ultimately improve overall marketing performance.

Competitive advantage acts as a partial mediation when part of the influence of promotion on marketing performance occurs through competitive advantage, but there is still a direct influence of the promotion itself. For example, a promotional campaign that successfully captures consumers' attention and highlights the product's superior features will increase consumer interest and drive sales. However, some of the improved marketing performance may also come from the direct impact of promotions in increasing brand awareness or creating buzz in the market, without relying entirely on competitive advantage. Promotion can also have a direct impact on marketing performance without going through competitive advantage. For example, an attractive and extensive advertising campaign can increase brand awareness and drive purchases, regardless of whether or not the product has a clear competitive advantage. These direct impacts can be increased short-term sales, increased visits to the store or website, and increased engagement with the brand. However, without a clear competitive advantage, the promotional impact may not last long, and the product can quickly lose traction after the promotional campaign ends.

CONCLUSION

Based on the results of the research and discussion in Chapter IV, conclusions can be drawn: 1. Innovation has a positive and significant influence on Competitive Advantage. This result means that the better the innovations carried out by the creative industry players in ikat weaving in Bali, the higher the company's competitive advantage. 2. Market orientation have a positive and significant effect on Competitive Advantage. This result means that the better the market orientation of the creative industry players in ikat weaving in Bali, the higher the company's competitive advantage. 3. Promotion have a positive and significant effect on Competitive Advantage. This result means that the more effective the creative industry players in ikat weaving in Bali promote, the higher the company's competitive advantage. 4. Innovation have a positive and significant effect on Marketing Performance. This result indicates that the better the innovations carried out by the creative industry players in ikat weaving fabrics in Bali, the higher the marketing performance. 5. Market orientation have a positive and significant effect on Marketing Performance. This result means that the better the market orientation carried out by the creative industry players in ikat weaving in Bali, the higher the marketing performance. 6. Promotion have a positive and significant effect on Marketing Performance. This result means that the more effective the promotion carried out by the creative industry players in ikat weaving fabrics in Bali, the higher the marketing performance. 7. Competitive advantage have a positive and significant effect on Marketing Performance. This result means that the higher the company's competitive advantage, the higher the marketing performance. 8. Innovation able to directly affect variables Marketing Performance without going through or involving variables Competitive Advantage. 9. Market orientation able to directly affect variables Marketing Performance without going through or involving variables Competitive Advantage. 10. Promotion able to directly affect variables Marketing Performance

without going through or involving variables Competitive Advantage.

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