

## The Effect of Market Orientation on Marketing Performance through Product Adaptation Strategy

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**Abstract :** This study aims at examining the effect of market orientation on marketing performance through product adaptation strategy. The population of the research is domestic leather craft companies located in five regions, the center of the leather craft industry in Indonesia, i.e., Central Java, East Java, South Sulawesi, Bali, and West Kalimantan. The respondent consists of a manager level from each company. Data collection used a questionnaire designed with five-item Likert scale. Collected data were analyzed using structural equation modeling (SEM) technique with SmartPLS software version 3.0 to examine the hypotheses. The result of the study shows that all hypotheses are supported. Market orientation affects marketing performance. Market orientation affects product adaptation strategy. Product adaptation strategy influences the marketing performance. The research also has revealed the main finding that product adaptation strategy contributes to a mediating role in the market orientation strategy and marketing performance relationship. The leather craft companies in Indonesia, therefore, may refer to this result in improving their marketing performance.

**Keywords :** leather craft industry, market orientation, marketing performance, product adaptation strategy

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