

The Role of Customer Orientation, Competitor Orientation, and Marketing Strategy on Marketing Performance Coffee Shop & Coworking Space in Yogyakarta

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Abstract: This research aims to analyze the role of Customer Orientation, Competitor Orientation, and Marketing Strategy on the Marketing Performance of Coffee Shop & Coworking Space in Yogyakarta. The sample in this study were 40 respondents. The sampling technique used a non-probability sampling method with the research instrument used was a questionnaire. The results of the instrument test state that the data in this study are proven to be valid and reliable. The classical assumption test states that the data in this study are normally distributed and produce a regression model that is free from multicollinearity and heteroscedasticity. The findings of the results of this study prove that: (1) Customer Orientation has a positive and significant effect on the marketing performance of Coffee Shop & Coworking Space in Yogyakarta, (2) Competitor Orientation has no effect on the marketing performance of Coffee Shop & Coworking Space in Yogyakarta, (3) Marketing strategy has no effect on the marketing performance of Coffee Shop & Coworking Space in Yogyakarta.

Keywords: Customer Orientation, Competitor Orientation, Marketing Strategy

Introduction

Modernization has a significant impact on social, economic and socio-cultural changes in society. High busyness and cultural changes that occur have an impact on people's behavior and lifestyle, one of which is in utilizing leisure time at a coffee shop. The growth of coffee shops in Indonesia today is increasingly rapid so that it has become an emerging business. According to data from the Ministry of Trade of the Republic of Indonesia, there will be more than 100,000 coffee shops spread throughout Indonesia by 2022 and this number will continue to increase every year (Toffin Indonesia, 2024).

One of the regions that has a rapidly growing coffee shop business is Yogyakarta. Based on the number of officially registered cafes and restaurants in Yogyakarta as of 2024, there are 4,679 (Bappeda DIY, 2024) with distribution data can be seen in table 1.

Table 1: Number of Cafes and Restaurants in Regency/City in DIY in 2024

Regency/City	Quantity (Unit)
Yogyakarta City	1.597
Sleman Regency	1.426
Bantul Regency	194
Gunungkidul Regency	1.057
Kulon Progo Regency	405
Quantity	4.679

(Source: Bappeda DIY, 2024)

Table 1 shows that the largest number of cafes and restaurants are located in the city center of Yogyakarta with 1,597 units. This is partly due to the large number of students who study in Yogyakarta and utilize coffee shops as a means to do coursework. One of the growing coffee shop businesses is the coffee shop & coworking space. Perspektif Coffee and Space is a collaboration between a coffee shop and coworking space. The number of coffee shops in Yogyakarta has led to intense competition.

Competition in the coffee shop & coworking space business encourages business owners to understand the needs and desires of consumers in the hope of increasing visitor attractiveness so as to improve business performance, one of which is marketing performance.

Marketing performance is a concept to measure a company's performance in the market for a product to determine its achievements as a reflection of the success of its business in business competition (Feng et al., 2019). The marketing performance of a company is generally considered a measure of the success of the business strategy carried out, therefore it is important to pay attention to in business (Utaminingsih, 2016).

A number of indicators to measure marketing performance are sales growth (Suherly et al., 2016), customer growth, and product success (Thoumrungroje & Racela, 2022). Marketing performance can also be expressed in the form of sales value shown by the value of money or unit profits, sales growth shown by the increase in product sales, and market share shown by the contribution of products in controlling the product market compared to competitors which ultimately leads to company profits (Babu, 2018).

There are a number of factors that can affect marketing performance, namely customer orientation (Chu et al, 2016) and (Racela, 2014), competitor orientation (Tunç, 2020) and (Prayitno et al, 2017), and marketing strategy (Harold et al., 2024) and (Aghazadeh, 2015). The key to improving marketing performance and winning the competition is to empower strategic resources in a flexible and proactive manner that focuses on efforts to understand what the needs and wants and expectations of customers are. The level of customer orientation of a business has a bearing on its marketing performance (Obadia & Vida, 2024).

This research on marketing performance was conducted at coffee shops & coworking spaces in Yogyakarta. With the increasingly fierce market share competition and the number of coffee shops, especially in Yogyakarta in the last 3 years, coffee shop & coworking space

business owners need to constantly evaluate with reference to the results of their marketing performance. Marketing performance records all business activities in a certain period as a reflection of the effectiveness of the strategy being implemented and is an important tool for business owners to evaluate and improve company performance. This study will examine in depth the factors that influence marketing performance in the Coffee shop & Coworking Space business in Yogyakarta.

Methodology

In conducting this research using quantitative analysis methods with instruments in the form of questionnaires. Quantitative method is a research method with research data in the form of numbers and uses statistical analysis. The population in this study is infinite, namely all coffee shops & coworking spaces in Yogyakarta with the sample method used, namely non-probability sampling. The number of samples in this study amounted to 40 respondent samples. In this study, primary data were obtained from respondents' answers through distributing questionnaires. Test the research instrument using Validity Test, Reliability Test, and Classical Assumption Test.

Result and Discussion

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the direction of the influence of the three variables Customer Orientation, Competitor Orientation, and Marketing Strategy on the Marketing Performance of Coffee Shops & Coworking Space in Yogyakarta. The results of the analysis with calculations using IBM SPSS statistics 26 software are shown in table 4.2 below:

Table 2: Multiple Regression Analysis Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,215	5,584		,397	,694
	Customer Orientation (X1)	,708	,262	,411	2,707	,010
	Competitor Orientation (X2)	,053	,138	,058	,386	,702
	Marketing Strategy (X3)	,290	,182	,262	1,592	,120

The equation of multiple linear regression is as follows: $Y = 2.215 + 0.411 X1 + 0.058 X2 + 0.262 X3 + e$. Based on the multiple linear regression equation, the meaning of the constant value and the standardized regression coefficient value can be explained as follows:

1. The constant value of 2.215 means that marketing performance has not been influenced by the variables of customer orientation (X1), competitor orientation (X2), and marketing strategy (X3).
2. The regression coefficient value of the customer orientation variable of 0.411 means that if the customer orientation variable assessment score increases by 1 unit, the assessment score on marketing performance will increase by 0.411 units. The direction of the effect of customer orientation on marketing performance is unidirectional (positive).

3. The competitor orientation regression coefficient value of 0.058 means that if the competitor orientation variable assessment score increases by 1 unit, the assessment score on marketing performance will increase by 0.058 units. The direction of the effect of competitor orientation on marketing performance is unidirectional (positive).
4. The marketing strategy regression coefficient value of 0.262 means that if the marketing strategy variable assessment score increases by 1 unit, the assessment score on marketing performance will increase by 0.262 units. The direction of the influence of marketing strategy on marketing performance is unidirectional (positive).

Coefficient of Determination R^2

The coefficient of determination aims to see the magnitude of the influence of the independent variable on the dependent variable, with the following results:

Tabel 3: Results Coefficient of Determination R^2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,611 ^a	,373	,321	2,993

a. Predictors: (Constant), Marketing Strategy (X3), Competitor Orientation (X2), Customer Orientation (X1)

Based on the Analysis R Square value, it shows that the contribution of the influence of customer orientation, competitor orientation, and marketing strategy variables on marketing performance variables is 0.321 or 32%, and the remaining 68% is influenced by other variables outside of the variables studied in this study.

Hypothesis Testing and t Test

The purpose of the t test is to test the significance of the effect of customer orientation, competitor orientation, and marketing strategy variables partially on marketing performance, with the following results:

Table 4: The Results of the t Test

Variable	t count	Significance (p)	Conclusion
Customer Orientation	2,707	0,010	Ha1 accepted
Competitor Orientation	0,386	0,702	Ha2 rejected
Marketing Strategy	1,592	0,120	Ha3 rejected

1. Hypothesis Testing 1: The Effect of Customer Orientation on Marketing Performance.

Based on the test results, the t value is $2.707 > t$ table of 2.028 with a significance value of $0.010 < 0.05$. These results indicate that H_01 is rejected and H_{a1} is accepted, which means that customer orientation has a positive and significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta.

2. Hypothesis Testing 2: The Effect of Competitor Orientation on Marketing Performance.

Based on the test results, the calculated t value is $0.386 < t_{\text{table}} 2.028$ with a significance value of $0.702 > 0.05$. These results indicate that H_{o2} is accepted and H_{a2} is rejected, which means that competitor orientation has no significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta.

3. Hypothesis Testing 3: The Effect of Marketing Strategy on Marketing Performance.

Based on the test results, the t value is $1.592 < t_{\text{table}} 2.028$ with a significance value of $0.120 > 0.05$. These results indicate that H_{o3} is accepted and H_{a3} is rejected, which means that marketing strategy has no significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta.

The Effect of Customer Orientation on Marketing Performance

Based on the results of the hypothesis test, it is proven that customer orientation has a positive and significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta. This statement proves that customer orientation is a determining factor that affects marketing performance. This means that the stronger the customer orientation practiced in the coffee shop & coworking space business will have an impact on the marketing performance of coffee shops & coworking spaces in Yogyakarta, and vice versa.

The descriptive analysis results explain that on average, coffee shops & coworking spaces have approached customer orientation very well. One of the main driving factors is the strong commitment of coffee shop & coworking space business people to create customer satisfaction. The efforts of coffee shop & coworking space business owners in prioritizing the quality and quality of the products used, so that consumers feel satisfied and do not hesitate to come back and allow consumers to recommend products to others (Feng, 2019). The results of this study support the results of previous research conducted by (Chu (2016) and (Jalilvand (2017) which show customer orientation has a significant effect on marketing performance.

The Effect of Competitor Orientation on Marketing Performance

Based on the results of the hypothesis test, it is proven that competitor orientation has no significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta. This statement proves that competitor orientation is not a variable that affects the marketing performance of coffee shops & coworking spaces in Yogyakarta. This means that strong or weak competitor orientation in coffee shops & coworking spaces in Yogyakarta will not have an impact on high and low marketing performance.

From the descriptive analysis results, it is explained that on average, competitor orientation in coffee shops & coworking spaces in Yogyakarta is in the high or strong category. However, this orientation does not have a significant impact on marketing performance. Based on the results of the descriptive analysis obtained, this is because coffee shops & coworking spaces in Yogyakarta have not been optimal in responding quickly to actions or strategies launched by competitors. This can occur due to the lack of sensitivity of coffee shops & coworking spaces to changes in competition, such as market trends,

customer preferences, or innovations made by competitors, so that businesses lose momentum to adapt and take strategic opportunities that can improve marketing performance (Gautam & Lal, 2020). The results of this study support the results of previous research conducted by (Utami & Nuvriasari (2023) which shows that competitor orientation has no significant effect on marketing performance.

The Effect of Marketing Strategy on Marketing Performance

Based on the results of the hypothesis test, it is proven that marketing strategy has no significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta. This statement proves that marketing strategy is not a variable that affects the marketing performance of coffee shops & coworking spaces in Yogyakarta. This means that whether or not the marketing strategy is effective at coffee shops & coworking spaces in Yogyakarta will not have an impact on the high and low marketing performance.

From the results of descriptive analysis, it is explained that coffee shops & coworking spaces in Yogyakarta are very good at carrying out marketing strategies but this does not affect marketing performance. This is due to the limitations of professional human resources, because based on the results of descriptive analysis obtained, the average coffee shop & coworking space in Yogyakarta in hiring employees does not prioritize skilled and professional ones. This can occur for several reasons, such as budget constraints that make business people prefer a lower-wage workforce, lack of awareness of the importance of professionalism in supporting business performance, or greater priority on meeting daily operational needs than investing in the quality of human resources. In addition, the lack of access or efforts to find labor that meets professional standards can also be a contributing factor. The results of this study support the results of previous research conducted by (Sudarman & Lailla (2023) showing that marketing strategy has no significant effect on marketing performance.

Conclusion

Based on the result of the data analysis that has been carried out, it can be concluded as follows: First, customer orientation has a positive and significant effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta. The customer orientation approach implemented in the coffee shop & coworking space business will have an impact on the high and low levels of marketing performance.

Second, Competitor orientation has no effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta. The results of this study indicate that competitor orientation is not a determining factor in the level of marketing performance of coffee shops & coworking spaces.

Third, Marketing strategy has no effect on the marketing performance of coffee shops & coworking spaces in Yogyakarta. The results of this study indicate that competitor orientation is not a determining factor in the level of marketing performance of coffee shops & coworking spaces.

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