ABSTRACT

The Effects of Market Orientation (MO), Market Knowledge Competence (MKC) on Product Adaptation Strategy and Export Marketing Performance: An Empirical Study on Wooden and Rattan Furniture Exporters in East Java, South Kalimantan and Central Kalimantan

Export marketing has the most important role in international marketing science, it constitutes a tool in the effort to increase foreign exchange reserves, employment absorption, productivity and social welfare. The final objective of export marketing is to increase sustained superior Export Marketing Performance (EMP) whether economically, strategically or perceptual. However, an investigation on market knowledge based competence and its effects to product adaptation strategy as well as export marketing performance is lacking and not adequately explained. In addition, how market orientation culture in organization affects behavioral aspects of market knowledge competence is also needs to be explained.

This study aims to examine and analyze the effects of Market Orientation (MO) culture on Market Knowledge Competence (MKC), and the effect of MKC on Export Marketing Performance by two different ways, those are direct effect (non-mediated) and mediated effect through Product Adaptation Strategy. In the model, MO consists of Customer Orientation and Competitor Orientation, and MKC consists of Customer Knowledge Competence (CusKC), Competitor Knowledge Competence (ComKC), and Cross-Functional Collaboration (Cross-F).

Data were collected by sensus from 45 exporting firms of wooden and rattan furniture in East Java, South Kalimantan and Central Kalimantan, 42 respondents are usable and analyzed with PLS (Partial Least Squares). The findings showed culture of market orientation affects significantly to MKC and all elements of MKC affect significantly to Product Adaptation Strategy, but only CusKC affects significantly to Export Marketing Performance and the two other elements (ComKC and Cross-F) are not significant.

Keywords: Market Orientation, Market Knowledge Competence, Product Adaptation Strategy, Export Marketing Performance