ABSTRACT

This research for use be reality correlation between the marketing advantage and production factor advantage to business strategy and performance in plywood industry in East Kalimantan. This research so for be correlation interdependent between business strategy and performance of industry.

The object research is plywood industry in East Kalimantan that effective is 26 manufacturing. That respondents is general manager, production manager, finance manager and marketing manager in plywood industry. Performance of manufacturing can appraisal use ROI (Return on Investment), ROA (return on Assets), ROE (Return on Equity) and ROS (Return on Sales). The business strategy use efficiency grade and goal marketing target grade. This research use structural Equation Modeling (SEM) method by AMOS 4.10 for to exam analysis and hypothesis.

The real result of research, that models is true (good) and can received exceptional hypothesis 3 is exam to production factor advantage and marketing advantage with simulation be effect to business strategy. The significant of variable to business strategy is production factor advantage. About correlation with performance that reality just production factor advantage be have significant effect. The production factor advantage indicators is better dominant effect to ROI and ROS is raw material. And other effect dominant is better for ROA and ROE is machinery and finance. The result of research so to reality that be correlation interdependence between ROI with strategy and ROA with strategy, and ROS too. But, correlation coefficient interdependence be between strategy and ROA is negative.

Key word: production factor advantage, marketing advantage, business strategy performance of manufacturing.