



Basic Industry Strategy and Orientation Strategy

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ABSTRACT

This research is motivated by so much competition in a market orientation that is increasingly emerging, but competition sometimes pays little attention to product innovation in the eyes of consumers. The purpose of this study is to determine market orientation that occurs in the world of marketing, Entrepreneurial Orientation, Market Power as an independent variable, Marketing Performance as the dependent variable and Product Innovation as a mediating/intervening variable. The method used is the literacy method. The result of the research is that the basic industrialization strategy is an industrial strategy that focuses on the production of products and services for export, not for domestic sales and circulation. Consists of basic chemical industry and basic metal and machine industry. While the orientation industrialization strategy is the company's strategic direction in creating the right behavior so as to achieve superior performance. Market orientation as a process and activity related to creating and satisfying customers by continuously assessing customer needs and wants. Application of market orientation will bring increased performance for the company. Companies implementing market orientation have advantages in terms of customer knowledge and these advantages can be used as a source to create products that suit the wants and needs of customers.

Keywords: *Industrial Strategy, Orientation Strategy, Marketing.*

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INTRODUCTION

Competition is getting tougher and technological advances are unavoidable, so a product will grow and develop to a point, where products will be difficult to distinguish from one another (Huang dkk., 2021; Pingkuo dkk., 2020; Scope dkk., 2021). To deal with these conditions the approach that must be taken by the company is to approach the

market and the company's strategy must be determined and adapted to market conditions so that it can survive in a competition by waiting for a strategic orientation. Companies are required to be able to choose and determine strategies that can be used to face competition and market demands with uncertain fluctuations in demand from consumers so that they need to understand existing market forces and continue to follow market desires in the development of a product and can increase competitive advantage. Defin and Atim (2011) stated that there is a direct effect of entrepreneurial orientation consisting of an innovative, proactive and risk-taking attitude owned by business actors which has a direct influence on increasing competitive advantage (X. Hu dkk., 2022; Yang dkk., 2022). The form of the application of entrepreneurial attitudes can be indicated by entrepreneurial orientation with indications of innovation ability, proactivity, and ability to take risks.

Im and Workman (2004) found that customer orientation is the driving force of new product success, despite its negative effect on new product novelty, thus recommending further studies to examine innovation and its performance implications directly and together with other intangible assets, such as entrepreneurship. Uncles (2000) defines market orientation as a process and activity related to creating and satisfying customers by continually assessing customer needs and wants. Application of market orientation will bring increased performance for the company. In addition, Narver and Slater (1995) explained that companies that have made market orientation an organizational culture will focus on external market needs, market desires and demands as a basis for formulating strategies for each business unit within the organization and determining the success of the company (Jian & Yuantao, 2021; Kirchner & Akdere, 2019; Lahnamäki-Kivelä & Kuhmonen, 2022). Marketing current product manufacturers are not only based on product quality, but also depends on the strategy implemented by the company and must have a product that is always innovating.

Innovation is as a new combination of production factors created by entrepreneurs and innovation thinking as an important driving force (critical driving force) in economic growth, Market conditions experience changes in marketing dynamics which have an impact on changes in customer tastes and preferences. This change requires innovation that can perfect and develop a product in order to maintain the survival and profits of the company. Two main assets that are very important to drive the progress of innovation are intellectual capital and information technology capital which must be utilized in an integrated manner into business processes (Ajayi & Oyebade, 2021; Liudmila & Nail, 2020; Song & Liu, 2020). Intellectual capital and knowledge management are closely related to the development of information technology which has driven the era of globalization or free trade. Information technology can be viewed as a tool or medium for obtaining knowledge and information as well as a tool in carrying out the business process itself to encourage increased innovation (Chen, 2022; Kryvoruchko dkk., 2021; Yuki & Kubo, 2023). After the progress of these innovations, there is an increase in company performance which can be used as an indicator of

competitiveness in an increasingly competitive business environment. Innovation can be incremental (continuous) or breakthrough (discontinuous). Innovation breakthroughs are new, unique, or cutting-edge technological advances in a product category that significantly change market consumption patterns.

Performance is also the implementation and plans that have been prepared by the organization. The implementation is carried out by human resources who have the ability, competence, motivation and interest (Changyi, 2020; Gallier & Plaud, 2021; C. Hu dkk., 2019). How the organization values and treats the workforce will influence its behavior in carrying out performance. Can be interpreted in the performance management process includes how to manage people and elements in it to find out what must be achieved and how to achieve the competencies needed in competition to increase the ability to achieve the targets set, especially industries that produce similar products as happened in the batik industry.

RESEARCH METHODOLOGY

The method used in this research is library research, to obtain data by studying and using various sources of data through journal literature with a focus on studies without the need for field observations.

RESULT AND DISCUSSION

Basic Industrialization Strategy

The basic industrial strategy is an industrial strategy that focuses on the production of products and services for export, not for domestic sales and circulation (Gabriela dkk., 2022; Kartel dkk., 2022; Qureshi dkk., 2022). These industries play a key role in their regional economies and sometimes occupy an outsized share of the market share.

The basic industry consists of : Basic Chemical Industry, which is an industry that processes raw materials into raw materials or finished goods. For example, wood and natural rubber processing industries, fertilizers, pesticides, paper, tires, vehicles, cement, coal and synthetic industries. Machinery and Basic Metal Industry, namely the metal materials industry group and basic products of the motor industry, factory equipment, electrical equipment industry, transportation equipment industry. For example the agricultural machinery industry, railroad electronics, airplanes, motor vehicles, steel, concrete, machinery, aluminum, copper and so on.

The basic industry has a mission to increase economic growth, help sell the industrial structure and is capital intensive (Dewi S dkk., 2022; Hikmah dkk., 2022; Keshav dkk., 2022). Appropriate technology used is advanced technology, tested and not labor intensive, but can encourage the creation of new jobs on a large scale in line with the growth of downstream industries and other economic activities.

Orientation Industrialization Strategy

Orientation industrialization strategy is a company's strategic direction in creating superior performance, Slater et al. (2006) argued that strategic orientation is a broad

strategy, which will be complemented by details of strategy content and strategy implementation. There are several indicators used to measure strategic orientation as follows:

Market Orientation

Something that is important for companies in line with increasing global competition and changes in customer needs where companies realize that they must always be close to their markets (Anoum dkk., 2022; Demina dkk., 2022). Market orientation is a business culture where the organization has a commitment to continue to be creative in creating superior value for customers. Narver and Slater (1990) define market orientation as an organizational culture that is most effective in creating behaviors essential to creating superior value for buyers and performance in business. Meanwhile Uncles (2000) defines market orientation as a process and activity related to the creation and satisfaction of customers by continually assessing customer needs and wants. Application of market orientation will bring increased performance for the company.

Technology Orientation

In connection with the increasingly dynamic intensity of competitors as an illustration of the current environmental changes (Nadya dkk., 2022; Rahmah dkk., 2022), where these changes must be responded to intelligently and guided by strategic steps, so that any company in the world can survive with these attitudes and strategic steps clearly demonstrated. to achieve competitive advantage The existence of technology is the most important part and source in achieving a competitive advantage. This statement was revealed by (Clemos and Row, 1991) that information technology plays a very important role and has an impact on business strategy. Furthermore, the effect of information technology is to support competitive advantage through continuous innovation by companies.

Technology can be interpreted as an information system that is valuable and much needed by companies related to information that can produce products or services (Firman dkk., 2022; Ilham dkk., 2022). Therefore technology is an important asset in an organization or company. Information technology is clearly visible in its role and impact in creating products, both goods and services (Capon and Glaser, 1987). 1995). Technology and innovation in companies are new changes either in products (goods and services) or processes (Dowling and Mcgee, 1994). The definition of orientation technology in general is a facilitator in developing a product and helping to meet market needs and wants, because technology is used for marketing information which can be one of the factors that influence the success of product innovation (Dianovi dkk., 2022; Najeed dkk., 2022; Rohmalimna dkk., 2022). By using sophisticated technology, companies can create better or more innovative products (Li and Calantone, 1998).

Entrepreneurial Orientation

According to Ginsberg (2011), the notion of entrepreneurial orientation is an individual tendency to innovate, be proactive, and willing to take risks to start managing a business. Kasali (2010) says that innovation is the ability to see things in a new way

and sometimes out of the box thinking. By proactively seeking new opportunities that may or may not be related to the current line of operations (Hartini dkk., 2022; Nopiana dkk., 2022; Safitri dkk., 2022). Willingness to take risks is the degree of a manager's willingness to commit to a large amount of risky resources.

Developments in the field of strategic management experienced a shift in the entrepreneurial process in which the methods, practices, and decision-making styles of managers used entrepreneurial actions (Lumpkin and Dess, 1996). Previously Stevenso and Jarillo (1990) analogized that entrepreneurial orientation studies are entrepreneurial management concepts, reflecting organizational processes, methods and styles of acting in an entrepreneurial manner. Entrepreneurial orientation is characteristic at the company level because it reflects company behavior (Covin and Slevin, 1989; Miller, 1983). More specifically, Miller (1983) introduces specific dimensions of entrepreneurial orientation over three dimensions, namely, innovativeness, proactiveness, and courage to take risks.

The following are indicators of entrepreneurial orientation according to Weerawerdeena (2003), namely: Innovativeness is the tendency to engage in creativity and experimentation through the introduction of new products or services as well as technological leadership through research and development in new processes (Cynthia and Hendra, 2014). So innovativeness is a basic willingness to leave old and existing technologies or practices to look for new things to go in a better direction (M. Wandra Utama, 2009). Proactiveness attitude refers to a forward-looking perspective, which is a forward-looking way of taking initiatives by anticipating and pursuing new opportunities and participating in emerging markets (Lumpkin and Dess, 1996). Proactivity is important because it implies a stance to look forward (forward looking) which is accompanied by innovative activities or new speculations and the conceptual opponent of being proactive is passivity or the inability to seize opportunities, Perminas Pangeran (2012). Risk taking

Risk taking is taking decisive action by exploring the unknown, borrowing large amounts, and/or allocating significant resources for businesses in an uncertain environment.

CONCLUSION

Based on the discussion above, it can be concluded that the basic industrialization strategy is an industrial strategy that focuses on the production of products and services for export, not for domestic sales and circulation. Consists of basic chemical industry and basic metal and machine industry. While the orientation industrialization strategy is the company's strategic direction in creating the right behavior so as to achieve superior performance. Has 3 indicators namely market orientation, technology orientation and entrepreneurial orientation.

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