THE EFFECT OF MARKET ORIENTATION AND ENTREPRENEURIAL ORIENTATION ON BUSINESS PERFORMANCE WITH MARKETING CAPABILITIES AS A MEDIATION VARIABLE (CASE IN PUBLIC BANK OF MAKASSAR CITY)

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ABSTRACT

Business performance is an aspect that must be considered for the sustainability of a business. This type of research is quantitative research with SEM (Structural Equation Model) method that looks for relationships between variables. While the steps taken consisted of determining the structural model, followed by setting the measurement model, combining data and checking, pretest validity and reliability, determining the path analysis model, collecting models and analyzing with IBM-SPSS AMOS 23, testing the fit test model, if possible to re-checking the model, and then interpreting the results of data processing. The results showed that market orientation and entrepreneurial orientation had a positive and significant effect on marketing capabilities, marketing capabilities had a positive and significant effect on business performance, and, market orientation and entrepreneurial orientation does not have a positive and no significant effect on business performance.

Keywords: Market Orientation, Entrepreneurial Orientation, Business Performance, Marketing capabilities

INTRODUCTION

The more intense the competition in the banking business and the smarter customers demand service and optimally make each player in the banking industry a need to make customers focus their services. In an effort to retain customers, a holistic marketing approach is essential to the bank. This approach is done by combining business vision, business plan and integrated programs to retain customers and build corporate imagery. Banks that have been a market leader such as Bank Rakyat Indonesia, Bank Mandiri and BCA Bank for conventional banking market and Bank Syariah Mandiri and Bank Muammalat Indonesia for Sharia banking market should not be displaced by nameTheir large. These banks must consistently become market driven companies for their customers. Good as bad as their image depends on customer valuation. Customer perception, attitudes and behaviour determines how long the viability of the banks is. (https://studylibid.com).

Market orientation according to Narver and Slater (1990) companies that are in the market will always make efficiencies and always strive to create more value for customers who are expected to provide benefits Long term for the company market orientation is beneficial for the company because it can help the company to focus: first, the gathering of information about the needs of the target customer and the ability of competitors continuously. Secondly, market orientation can use this information to create
customer value sustainably both things are cultivated integrated into all parts or departments in order to improve the company's performance.

Business units have a tendency to use entrepreneurship principles to focus on exploitation opportunities and adopt innovative approaches to attract customers and increase profitability. In addition, entrepreneurship is also associated with innovative behaviors and strategic orientation in achieving profitability and business growth. In general, there are many challenges that impede the performance of business units, such as lack of innovations; Low-level marketing and managerial skills; lack of financial support; and competence. Companies with high levels of entrepreneurship tend to periodically monitor their entrepreneurship activities to discover new opportunities and strengthen their competitive positions. (Mohammad et al., 2019).

The emphasis on dynamic capabilities highlights the importance of adoption of market-level strategic orientation. Vorhies and Harker (2000) found in their research that companies with high market orientation also have higher levels of six marketing capabilities, this is marketing research, product development, determination Pricing, distribution, promotion and marketing management. In further studies on customer-focused marketing capabilities, the impact on financial performance of capabilities in brand management and customer relationship management is found (Vorhies, ORR & Bush, 2011). The latter allows for the deployment of resource-efficient relationships and former reputation resources. Also, Wilden & Gudergan (2015) found that marketing capabilities are positively related to the company's performance in a highly competitive environment. (Sanna Joensuu-Salo et al., 2016).

By looking at the importance of the role of the market orientation, entrepreneurial orientation and marketing capabilities to the business performance, then the author raised the title "influence of Market Orientation and Enterpreneurial Orientation to Business Performance with Marketing Capabilities as a variable mediation in public banks in the city of Makassar".

Main problems base on literature review before are:
1. Does Market Orientation have positive and significant impact on Marketing Capabilities on commercial banks in Makassar city?
2. Does Entrepreneurial Orientation have a positive and significant impact on Marketing Capabilities at a commercial bank in Makassar city?
3. Does Marketing Capabilities influence positive and significant towards Business Performance at a commercial bank in Makassar city?
4. Does Market Orientation have positive and significant impact on Business Performance in public banks in Makassar city?
5. Does Entrepreneurial Orientation have a positive and significant impact on Business Performance at a commercial bank in Makassar city?

LITERATURE REVIEW
Market Orientation

Market orientation or market orientation according to Narver and Slater, market-oriented companies will always make efficiencies and strive to create more value for customers who are expected to provide long-term benefits Long for the company. Market orientation is beneficial for the company because it can help the company to focus: first, the gathering of information about the needs of target customers and the ability of competitors continuously. Secondly, market orientation can use that information to create customer value sustainably. Both things are cultivated integrated into all parts or departments in order to improve the company's performance. (Ganadhi & Dharmayanti, 2016).
Market orientation is the focus of strategic planning on business units that must meet the following demands: All functions in the company are able to absorb all important information that could affect the decision making of the purchase will be conducted by strategy between functions and between divisions, as well as the division is equally good in coordination function and has a commitment in running marketing activities. Market orientation is not solely the responsibility or attention of functions on marketing, but all departments must participate in the collection, dissemination, and follow-up information of the market. In addition, market orientation is focused on markets that include customers and factors or strengths that affect it. Market orientation can be measured in three dimensions, which is Intelligence Generating that emphasizes attention to the direction of movement or market demand. A business must have market information that can be processed into information as a form of enterprise operations, so that the company can make more precise predictions and marketing actions. Secondly, the intelligence dissemination dimension emphasizes on implementing the distribution of information to all departments within the organization, and the third is Responsiveness is the emphasis on the level of responsiveness to changes in customer needs being running. (Hatta, 2015).

Entrepreneurial Orientation

Entrepreneurship is an opportunity, a new market, and in the long run can create the economic stability of the nation with the growth of their business in various sectors. Entrepreneurship is a discipline that learns about the values, skills, and behaviors of a person or organization in the face of a life challenge with opportunities to gain a range of risks that may be faced. Individuals involved in entrepreneurship activities by starting a business are known as entrepreneurs. While entrepreneurial characteristics or behaviors are innovation, proactive, daring and autonomy. Entrepreneurship is a combination of creativity, innovation and courage to face the risks done through the hard work to build and maintain their new business. (Hatta, 2015).

Entrepreneurial orienting companies have the ability to discover and capitalize on untapped market opportunities; Ability to respond to challenges; and willingness to take risks in uncertain situations. An entrepreneurial orientation as a company benefits strategy to be able to compete more effectively in the same market. (Mohammad et al., 2019).

Many academics have recognized the importance of entrepreneurial activities in existing organizations. Entrepreneurship refers to the company's ability to continuously update, innovate, and constructively take risks in the marketplace and field of operations and to deliver creative innovation into a valuable endeavor. Entrepreneurial orientation is considered an important organizational process that contributes to the survival and performance of the company. It can also be seen as involving new aspects of the entry, especially how new entries are made, and combining existing resources with new ways to develop and commercialize new products, move to new markets, and/or serve new customers.

The concept of traditional entrepreneurship – entrepreneurial activity – has been understood as a one-time action that creates new products or services or even completely new businesses – challenging actions or 'creatively damaging' products, services, and existing market relationship with their efforts. However, today, entrepreneurship is more likely to be viewed as a process, rooted in organizational culture, rather than as an event to create value by incorporating a unique resource pack to capitalize on opportunities. (Tajeddini, 2010).

Marketing Capabilities

To be the winner, every business can respond in a timely and fast manner with flexible product innovations, coupled with the capabilities of the marketing program (Munir,
Ilyas, Maming, & Kadir, 2019). 7P Marketing Programs: Products in the form of all components that create value for customers; Place in the form of delivery to customers; Price in the form of spending money by customers for purchase; Communication promotion form to build customer wishes; People in the form of employees; Processes in the form of surgical methods; Physical form of visual cues on quality. (Hatta, 2015).

Marketing capabilities is an ability designed to implement the collective knowledge, skills and resources of the company with the needs associated with the business market, and enables to add value of goods and services, adapt to market conditions, take advantage of market opportunities and meet competitive threats. The company provides significant resources to build, maintain, and improve marketing capabilities, and by enhancing knowledge of the relationship between the marketing capabilities and the company's performance (Krasnikov & Jayachandran, 2008; SLOTegraaf & Dickson, 2004; Vorhies & Morgan, 2005). Indicator of Marketing capabilities there are 7 namely, pricing, distribution management, product management, personal selling, marketing communication, and marketing implementation. (Handoyo & Hasanah, 2017).

**Business Performance**

Jauch and Glueck explained that performance is the level of achievement or achievement of a company in a given period. The performance of a company is very influential in company development. The objectives of the company, including: to remain standing or exist, to gain profit, and to be able to develop or grow (growth), can be achieved if the company has good performance. (Mohammad, Massie, & Tumewu, 2019).

Business performance reflects the perspective in strategic management which is a sub-point of the overall concept of effectiveness of the company. The performance of small and medium enterprises is multi-dimensional, making it very useful to unify various performance dimensions in empirical studies. Rauch et al. reveals that business performance is a multi-dimensional concept. One common difference between financial and non-financial measures is the valuation of such factors as sales growth is indeed a return on investment and objectives such as the level of satisfaction and success globally as determined by Owner or manager within the company. Measuring business performance is based on subjective perception of business actors. The reason for using this approach is that business owners are usually reluctant to disclose the exact performance record, and they are less willing to share objective performance data. In addition, unlike large corporations, they generally do not have a record (Souisa, 2018).

**Framework**

The increasingly intense competition in financial services especially banking will encourage companies to improve their performance. So the market orientation and entrepreneurial orientation is required in order for the company to remain market oriented and always make and strive to create more value for its customers, and in the long term the company has Good economic stability with the growth of their business in various sectors, so that the company's marketing capabilities provide added value as well as meet the customer's competitive needs. With the synergy is expected the level of achievement or achievement of a company in a certain period can be realized. The performance of a company is very influential in future development of the company. The purpose of the company is for the company to remain standing or exist (persist), gain profit, and can develop or grow (growth), it can be achieved if the company has good performance, so that is expected to provide long-term benefits for the company. Based on the above explanation as the framework based on the formulation of previous problems is as follows:
Figure 1. Framework for Thinking

Hypothesis

The hypotheses based on previous thought frameworks are as follows:
H1: Market Orientation significantly positive and significant impact on Marketing Capabilities
H2: Entrepreneurial Orientation has positive and significant effect on Marketing capabilities
H3: Marketing Capabilities positively and significantly To Business Performance
H4: Market Orientation Positive and significant impact on Business Performance
H5: Entrepreneurial Orientation has positive and significant effect on Business Performance

RESEARCH METHODS

This type of research is quantitative research. Quantitative research methods are a research method based on the philosophy of positivism, which is used in specific populations or samples, collecting data, using research instruments, analyzing data with tools Specific statistics, with the aim to test the hypothesis. (Sugiyono, 2017). Research site and research site conducted in Kota Makassar in several commercial banks (main branch office and branch office) in Makassar City.

Population and samples

The population in this study is all head office and deputy Head of the branch office of the public Bank in the city of Makassar. The population number in this study is 252 branch offices. The sample in this study is that all members of the population are used as samples, namely all branch Head, marketing head, Unit head or KCP leadership in 252 of the main Bank branch office in Makassar city with the total number of respondents as many as 318 respondents.

Operational definition of research variables

In order to limit the existing problems, it needs an operational definition. According to Sugiyono (2017) The variable is: "an attribute or nature or value of a person, object or activity that has a certain variation set by the researcher to be studied and then withdrawn". (Sugiyono, 2017).

In detail can be written in the form of table as follows:
Methods of analysis

In this study, author uses IBM SPSS application version 25.0 for Windows to process respondents’ profile data and IBM SPSS AMOS version 23.0 for data processing with Structural Equation Modeling.

**SEM (Structural Equation Modeling)**

The method of data analysis is a method used to process the research results in order to obtain a conclusion. To analyze the final study data, Structural Equation Model (SEM) is selected as the analysis tool. SEM is a procedure to allow researchers to insert observed variables that are measured indirectly with indicator variables. (Hair et al., 2010).

SEM is a management research analysis tool is generally very multidimensional, feels complicated and far from simple. Management decision making is a process that is "complicated" or is a multidimensional process with various patterns of level causality relationships.

Analysis using Structural Equation Modeling After the validity and reliability test in all the latent variables that are valid and reliable, the latent variables can be continued with the model conformance test i.e. using the goodness of Fit index.

**Goodness-of-fit Model**

The Model conformity test (goodness-of-fit model) is conducted by looking at the measuring criteria, namely: Chi-Square, Goodness-of Fit Index (GFI), Root Mean Square Error of Approximation (RMSEA), Adjusted Goodness-of Fit Index (AGFI),

### Table 1. Variable Operational definitions

| No | Variable                      | Definition                                                                                     | Indicators                                                                                   | Measurement                      |
|----|-------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------|
| 1  | X1 (Market Orientation)       | Market Orientation (MO) is the basis of marketing and strategic planning and requires the process of a company implementing marketing concepts in their business practices. | • Intelligence Activities  
• Intelligence Dissemination  
• Response To The Market (Hatta, 2015)                                                 | Skala Likert, dengan bobot score yaitu: 1 = Highly Disagree  
2 = Disagree  
3 = Neutral  
4 = Agree  
5 = Highly agree                                                                          |
| 2  | X2 (Entrepreneurial Orientation) | Entrepreneurial orientation is considered an important organizational process that contributes to the survival and performance of companies. | • Implement Innovation  
• Risk-Taking  
• Autonomy  
• Proactive (Hatta, 2015)                                                    |                                                                                |
| 3  | Y1 (Marketing Capabilities)   | Marketing Capability is a process designed to design the collective knowledge of integrative, skills, and resources of the company to market related business needs, which allows businesses to add value to goods and services, and meet competitive demands. | • Product Management  
• Marketing Communication  
• Marketing Planning (Hatta, 2015)                                           |                                                                                |
| 4  | Y2 (Business Performance)     | Business performance reflects the perspective in strategic management which is a sub-point of the overall concept of effectiveness of the company. | • Market Share,  
• Profits,  
• Sales Volume  
• Customer Satisfaction (Handoyo et al., 2016)                                       |                                                                                |
Turker Lewis-Index (TLI), Comparative Fit Index (CFI), Normed Chi-square (CMIN/DF). The structural equation Modeling Analysis Model of the research results is:

Fig. 2 Model Structural Equation Modeling - Source: Processed Primary data, AMOS, 2020

The Model of this equation already experienced several times of healing so that in can GFI value is greater than 0.80. The results of goodness-of-fit measurements are shown in the table below:

Table 2. Model Fit Test Results (goodness-of-fit-model)

| Measurement type        | Measurement  | Value   | Expected value          | Conclusion            |
|-------------------------|--------------|---------|-------------------------|-----------------------|
| Absolute Fit Measures   | Chi-square   | 1787    | p-value > 0.05          | none-of-fit           |
|                         | p-value      | 0.00    |                         |                       |
|                         | GFI          | 0.803   | > 0.90 or close 1       | marginal-of-fit       |
|                         | RMSEA        | 0.058   | < 0.08 – 0.10           | goodness-of-fit       |
| Incremental Fit Measures| AGFI         | 0.776   | > 0.90 or close 1       | marginal-of-fit       |
|                         | IFI          | 0.906   | > 0.90 or close 1       | goodness-of-fit       |
|                         | TLI          | 0.897   | > 0.90 or close 1       | goodness-of-fit       |
|                         | CFI          | 0.905   | > 0.90 or close 1       | goodness-of-fit       |
| Parsimonious Fit Measures| Normed Chi-Square (CMIN/DF) | 2,052 | Lower limit: 1 Upper Limit: 5 | goodness-of-fit |

Source: Processed Primary data, AMOS, 2020

Based on table 2 above the Goodness-of-fit test, most fit models show fit results, then the model used in the study can be concluded that the model used deserves to reflect its theory.

$R^2$ Structural Equation Modeling

Squared Multiple Correlation on SEM testing on IBM SPSS AMOS v. 23 Program, the same as $R^2$ on Ordinary Least Square (Regression) tests on IBM SPSS v. 23 programs. Squared Multiple Correlation explains how large the endogenous variable can be explained by the exogenous variable, getting closer to the value of one, so the exogenous variable can provide the information perfectly. The closer the zero value is the lower the ability of the exogenous variable in providing information to the endogenous variable.
Table 3. Square Multiple Correlation

|                      | Estimate |
|----------------------|----------|
| Marketing Capabilities | .889     |
| Business Performance  | .628     |

Source: Processed Primary data, AMOS, 2020

Based on the table above Square Multiple Correlation It is known that there are two endogenous variables, the first is the Marketing Capabilities of 0.889 which means 88.9% of the exogenous variables (Market Orientation and Entrepreneurial Orientation) can explain the endogenous variable of Marketing Capabilities.

The second is the Business Performance of 0.628 which means 62.8% of the exogenous variables (Market Orientation, Entrepreneurial Orientation and Marketing Capabilities) can explain the endogenous Business Performance variable.

**Critical SEM Test Ratio (C.R)**

Statistical testing with SEM analysis technique on IBM SPSS AMOS v. 24 program, can see the probability value (P) on the C. R (critical ratio) test, while the efficiency can refer to the value of Standardized Weight, excess use of Standardized Weight means that the higher coefficient has the most excellent and significant tendency. The following is the result of hypothesis testing in this study:

**Table 4. Critical Ratio test Result (T-STAT)**

| Regression Weights: (Group number 1 - Default model) | Estimate | S.E. | C.R. | P   | Label |
|-----------------------------------------------------|----------|------|------|-----|-------|
| Marketing Capabilities <-- Market Orientation | .346     | 0.091| 3.805| *** |       |
| Marketing Capabilities <-- Entrepreneurial Orientation | .545     | 0.078| 7.019| *** |       |
| Business Performance <-- Marketing Capabilities | 1.163    | 0.267| 4.351| *** |       |
| Business Performance <-- Market Orientation | -0.307   | 0.175| -1.751| .080|       |
| Business Performance <-- Entrepreneurial Orientation | 0.066    | 0.187| .354 | .723|       |

**Tabel 5. Standardized Regression Weights: (Group number 1 - Default model)**

| Estimate |
|-----------|
| Marketing Capabilities <-- Market Orientation | .317     |
| Marketing Capabilities <-- Entrepreneurial Orientation | .650     |
| Business Performance <-- Marketing Capabilities | .929     |
| Business Performance <-- Market Orientation | -.225    |
| Business Performance <-- Entrepreneurial Orientation | .063     |

Source: Processed Primary data, AMOS, 2020

Based on the modelling of Structural Equation Modeling It is known that there are two endogenous variables in the SEM equation namely Marketing Capabilities and Business Performance, as for the estimate of the coefficient on each endogenous following equations:

\[
\text{Marketing Capabilities} = 0.317 \times \text{Market Orientation} + 0.650 \times \text{Entrepreneurial Orientation} \\
\text{Business Performance} = -0.225 \times \text{Market Orientation} + 0.929 \times \text{Marketing Capabilities} + 0.063 \times \text{Entrepreneurial Orientation}
\]
According to table 5 above, analysis of each hypothesis can be taken as follows:

1. Market orientation has a significant influence on the marketing capabilities, because the value of the estimate shows a positive result of 0.317, the Critical Ratio value of 3.805 and the value p of the hypothesis is 0.000 which means the value of p < 0.05, the result shows that the Market Orientation hypothesis is positive and significant to the Marketing Capabilities and supported by data.

2. Entrepreneurial orientation has a significant influence on the marketing capabilities, because the value of estimation shows positive result of 0.650, the Critical Ratio value of 7.049 and the P value of the hypothesis is 0.000 which means the value of p < 0.05, the result shows that the Entrepreneurial Orientation hypothesis has a positive and significant impact on the Marketing Capabilities and is supported by data.

3. Marketing capabilities have a significant influence on business performance, because the value of the estimate shows positive results of 0.929, the Critical Ratio value of 4.351 and the value p of the hypothesis of 0.000 which means the value of p < 0.05, the result shows that the hypothesis of Marketing Capabilities is positive and significant towards Business Performance and supported by data.

4. Market orientation has no significant effect on business performance, because the estimated value shows a negative result of -0.225, the Critical Ratio value of -1.751 and the P value of the hypothesis of 0.080 which means the value of From p > 0.05, the results suggest that the Market Orientation hypothesis has no positive and insignificant effect on Business Performance.

5. Entrepreneurial orientation has no significant effect on business performance, because the estimated value shows positive result of 0.063, the Critical Ratio value of 0.354 and the P value of the hypothesis of 0.723 which means the value of p > 0.05, the result shows that the Entrepreneurial Orientation hypothesis has no positive and insignificant effect on Business Performance.

| N | Hipotes | Variabel Penelitian                       | Hasil Penelitian                                |
|---|---------|------------------------------------------|------------------------------------------------|
| 1 | H1      | Market orientation, Marketing Capabilities | Market Orientation has a positive and significant impact on the Marketing Capabilities. |
| 2 | H2      | Entrepreneurial Orientation, Marketing Capabilities | Entrepreneurial Orientation has positive and significant effect on the Marketing Capabilities. |
| 3 | H3      | Marketing Capabilities; Business performance | Marketing Capabilities positively and significantly impact the Business Performance. |
| 4 | H4      | Market Orientation, Bussines Performance  | Market Orientation has no positive and insignificant effect on Business Performance. |
| 5 | H5      | Entrepreneurial Orientation, Business performance | Entrepreneurial Orientation has no positive and insignificant effect on Business Performance. |

PEMBAHASAN

1. Market Orientation has positive and significant effect on Marketing Capabilities.

Based on the results the analysis showed that market orientation was positive and significant to the marketing capabilities. Based on the researchers' direct observations in line with what the researchers see in the field that banking has known the market share of the competitive level between banks, as well as knowing how the customer's wishes level towards the product Banking products. With the condition of knowing it, banking remains...
consistent to increase the level of their capability as the best banking in the community.

The findings are in line with the theory realized by Hatta (2015), that the market orientation is the focus of strategic planning on the business unit that must fulfill the following demands: All functions in the company are able to absorb all important information that can affect the decision making of the purchase to be made by the strategy between functions and divisions, and the division is equally good in the coordination function and is committed in running the marketing activities.

The findings in line with the findings of Vorhies and Harker (2000) found in their studies that the company with the high Market Orientation also has a higher level at six Marketing Capabilities, namely on marketing research, Product development, pricing, distribution, promotion and marketing management. Also, Wilden & Gudergan (2015) found that Market Orientation was positively associated with the company's performance in a highly competitive environment. (Sanna Joensuu-Salo et al., 2016).

2. **Entrepreneurial Orientation is positively and significantly influential towards the Marketing Capabilities.**

The results of this study concluded that Entrepreneurial Orientation was positively and significantly influential on Marketing Capabilities. Based on a direct observation of researchers in line with what researchers see in the field that banking has been oriented to entrepreneurship that demands that banking be more creative and innovate and dare to face risks, so a Superiors are required to improve their marketing capabilities to boldly take decisions and improve creative ideas in improving their business.

The findings are in line with Wijaya's theory & Dharmayanti (2016) stating that Entrepreneurial Orientation was defined as an entrepreneurial orientation initially involving a strategy-making process and representing policies and practices that form the basis for actions and decisions in entrepreneurship. Entrepreneurial Orientation helps companies to see the rapid growth in the market, and increase the company's sensitivity to market/community needs. Then entrepreneurial orientation helps companies to innovate products, as well as able and dare to make decisions.

The findings of this research also supported the findings of the research of Wijaya & Dharmayanti (2016) found that entrepreneurial orientation positively affects the marketing capabilities. Wijaya Research & Damayanti (2016) was conducted at PT. ACA. According to Wijaya & Dharmayanti (2016) step PT. ACA to continue to innovate the products and services have a purpose planned by the company that is to become a leading company of general insurance industry in Indonesia.

3. **Marketing Capabilities positively and significantly impact on Business Performance.**

The results of the study concluded that the Marketing Capabilities positively and significantly affect Business Performance. Based on the direct observation of researchers in line with what researchers see in the field that with the ability of banking marketing that has a good performance indirectly then they will have more market opportunities, So that they can freely offer their products and services to the public, thereby will impact on their growing business performance.

The findings are in line with the theory presented by Ganadhi & Dharmayanti (2016), that the marketing capability is defined as an integrated process designed to implement a group of knowledge, skills and resources of the company To meet customer needs, provide added value, and to meet competitive needs. Companies benefit by engaging in more opportunistic marketing efforts, proactive, risk-taking, innovative, customer focus, and value-added.

The findings of this research also supported the findings of Morgan et al. (2009)
indicating that the marketing capabilities have a direct positive effect on the measure of subjective and objective performance. Jaakkola et al. (2010) demonstrates a relatively strong positive relationship between inside-out marketing capabilities and subjective business performance in a full sample and each sub-sample of three countries.

4. **Market Orientation has no positive and insignificant effect on Business Performance.**

The results concluded that Market Orientation had no positive and insignificant effect on Business Performance. Based on the direct observation of researchers in line with what researchers see in the field that banking already has a market orientation, but banking needs the process as well as the time ranging from formulation of strategies up to the sale of products and services, where the weakness causes the loss of opportunities for banking to obtain a higher business performance which is leave by the competition of other companies.

The findings do not support the theories propounded by Kohli and Jaworski (1990), that companies that continuously collect information about customers and markets and act as expected to achieve performance Superior. To compete in a changing market environment and to satisfy customers from time to time, companies must be able to develop and adapt to a commitment to market orientation (Cano et al., 2004).

The results of the study were not in line with the research of Jaakkola et al. (2010) showing that the effect of market orientation on performance differed in three relatively homogeneous European countries (Austria, Finland, and Germany). These results suggest context-specific market orientation relationships with business performance. (Takata, 2016).

5. **Entrepreneurial Orientation has no positive and insignificant effect on Business Performance.**

The results of this study concluded that Entrepreneurial Orientation has no positive and insignificant effect on Business Performance. Based on the direct observation of researchers in line with what researchers see in the field that current banking especially in Makassar is only a branch office where all the policy formulation and strategy of the company is set at the head office, So it could be a formulation and the strategy is not in Akomodir and applied by the public bank in the city of Makassar, which could be due to differences in culture and culture, for example where the city of Makassar is known as a city of commerce and not as Production City.

These findings do not support the theory posed by Su et al. (2011), that entrepreneurial orientation may have different impacts on performance in new ventures than well-established companies due to different abilities to adapt to In these two types of organizations. They claim that companies need to develop organisations with adequate resources, legitimacy, social bonds, and organizational structures that are appropriate to benefit from entrepreneurial orientation.

The findings of this study were not in line with findings by Covin and Lumpkin (2011), which expressed the connection between entrepreneurial orientation and the performance between companies had been extensively tested in empirical entrepreneurship literature. Additionally, Rauch et al., (2009) found a correlation between entrepreneurial orientation and performance is considered strong enough with respect to different company characteristics and contexts.

**CONCLUSIONS AND SUGGESTIONS**

**Conclusion**

Based on the results that can be on the research and discussion, as well as the objectives set before, the conclusions that can be taken are:

1. Market orientation has a positive and significant impact on the marketing capabilities.

   Market-oriented companies will always make efficiencies and strive to create more
value for customers who are expected to provide long-term benefits for the company.

2. Entrepreneurial Orientation has positive and significant effect on Marketing Capabilities. Entrepreneurial Orientation helps companies to see the rapid growth in the market, and increase the company's sensitivity to market/community needs.

3. Marketing Capabilities has a positive and significant impact on Business Performance. Companies benefit by engaging in marketing efforts that are more opportunistic, proactive, daring to take risks, innovative, customer focus, and add value.

4. Market Orientation has no positive and insignificant effect on Business Performance. This can be due to some things. There are differences in market orientation in some areas. Especially the area with high consumptive level. The difference in supply and demand may also cause Market Orientation to have no positive and significant effect on Business Performance. This can be seen by the demand that is varied so as to cause market orientation of the area to change significantly and can cause performance decreases.

5. Market Orientation has no positive and insignificant effect on Business Performance. This can be due to some things. There are differences in market orientation in some areas. Especially the area with high consumptive level. The difference in supply and demand may also cause Market Orientation to have no positive and significant effect on Business Performance. This can be seen by the demand that is varied so as to cause market orientation of the area to change significantly and can cause performance decreases.

Suggestion

1. Banking will still maintain the quality of their products or services and evaluate every at least one year at a time.

2. Banking in order to be able to periodically increase the number of their services, actively and attractive can introduce their banking products to the particular potential customers-new customers.

3. Banking in order to do advertising on media such as newspapers, television or the internet about their products is up to date and superior, so that people can know more quickly about banking products.

4. In order for the future banking can coordinate better in each of their branches, so there is no difference of information between the banking branch one with the other banking branches.

5. Banking is expected to continue to monitor market trends and identify future customers' needs, issue new banking products, as well as periodically introduce new services.

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