The Relationship of Organizational Competition Orientation, Marketing Capability and Customer Networks in Achieving Seller Achievement

Stivenes Tjin Siam, Jamal Abdul Nassir Shaari, and Heriyadi Heriyadi

ABSTRACT

This study is to determine the role of organizational competition orientation and its effect on salesperson achievement. The relationship between variables consisting of four constructs namely Organizational Competition Orientation, Marketing Capability, Customer Networking and Salesperson Achievement were analyzed using four hypotheses. The data was processed by Structural Equation Modeling (SEM) with the Amos model. The sample consisted of 200 sales from various fields of distributor companies in West Kalimantan. The results showed that Organizational Competition Orientation had a significant effect on Marketing Capability, Marketing Capability had a significant effect on Customer Networking, Marketing Capability had a significant effect on Salesperson Achievement and Customer Networking had a significant effect on Salesperson Achievement.

Keywords: Customer Networking, Marketing Capability, Organizational Competition Orientation, Salesperson Achievement.

I. INTRODUCTION

Every organization has a goal to achieve lower costs, because it is recognized that technology is one of the roles in the orientation of competition. On the other hand, organizations must also improve internally in the face of competitor orientation, competitor-oriented companies are companies that have data on competitors' conditions. In addition, the company also responds well in the face of competitors' strategies, especially top management (Narver and Slater, 1990). Monitoring of competitors is generally carried out by salespeople who collect various information in the field, then they submit it to the section that handles competitors, for example the marketing research and product development section and the related direct supervisor who is responsible for sales (Ferdinand, 2000).

Research by Sørensen (2008), Harris (2002), Deshpande and Farley (1998), concludes that market orientation can be grouped into three components, namely behavioral components, namely Customer Orientation, Competitor Orientation, and Functional Coordination, and two important decisions related to long-term decisions and profitability. These concepts are interrelated with each other and cannot be separated. The same thing, expressed by the results of a study by Narver and Slater (1990), states that customer orientation and competitor orientation have a level of urgency at the same level, where market orientation (Kohli and Jaworski, 1990; Kirca et al., 2005; Never and Slater, 1990) combines two main dimensions: One, Customer Orientation which is a focus on customer needs and wants. Two, a competitive orientation that emphasizes a focus on competitive threats. Usually, the goal or orientation of the sales organization's competition will be more on competitive prices, product advantages and in terms of service to customers so that competitive advantages between sales organizations can be achieved. On the other hand, many companies seem to only provide lip service to the concept of customer orientation. Interview results show that 74% of companies indicate that they are customer-oriented rather than competitor-oriented. However, the results of other studies show that 76% of companies are more competitor-oriented than customer-oriented (Hult, Ketchen & Nichols, 2002).

In addition to the competitive orientation of companies that play a role in marketing products, there are also salespeople who work optimally to achieve sales achievements or performance in accordance with their respective targets. Several strategic and effective actions must be implemented immediately, if you do not want to lose the existing market, such as improving the internal organization including the formation of a solid and reliable teamwork, having a manager with high capability, having good marketing skills, maximizing fostering a network of loyal consumers in maintaining competition so that in the end it is expected to achieve good sales performance. To best researcher's knowledge, this is the first research in Indonesia related to Organizational Competition Orientation, Marketing.
Capability and Customer Networking in Achieving Salesperson Achievement.

II. LITERATURE REVIEW AND HYPOTHESIS

A. Organizational Competition Orientation

The study of Narver and Slater (1990), states that customer orientation, competitor orientation, and coordination between functions have the same level of importance (degree of urgency), then the two orientations can be explained as follows:

1. Customer Orientation: sufficient understanding of target buyers
2. Competitor Orientation: a salesperson must understand the current strengths and weaknesses as well as the long-term capabilities and strategies of existing and potential competitors.

Competitiveness in a modern competitive environment does not only monitor competitors’ marketing, but also examines competitive advantages and competitors’ business performance. Furthermore, Tan & Sousa (2015) also examined the need for customer satisfaction and create good relationships with retailers. Morgan & Sloteraaf (2012) revealed that data on competitors and different markets can also understand the competition that occurs.

Companies that are successful in controlling the market always know their competitors as well as they know their customers. Analysis and evaluation of competitors will help management decide where to compete and how to position itself against its competitors in each target market. Craven (1994) suggests the steps of analysis and evaluation of competitors include: Identification of the structure and characteristics of the industry; Identification and analysis of strategic groups; Evaluation of major competitors; Identification and description of key competitors; Identify new competitors.

The argument from Porter (2004) says that competitive advantage is the most important thing that describes marketing performance and shows superiority in competition. Competitive advantage is an indication that the company is able to survive in the face of competition and understand the market well. Competitive advantage will be created by itself if the company is able to provide added value for consumers. In Competition Orientation, every organization is sure to have designed a careful strategy for competing for its products in the market in order to win the competition, according to (Narver & Slater, 1990).

Therefore, in this study it can be assumed that the relationship between Organizational Competitive Orientation and Marketing Capability has a significant influence. As in the research hypothesis conducted by O’Cass and Weerawardena (2010) stated that Competitive Orientation ultimately has a significant effect on the company’s marketing ability. Then the researcher’s hypothesis can be interpreted as follows:

H1: The higher level of competitive orientation of an organization, the higher marketing capabilities of the organization.

B. Marketing Capability

Marketing capability is the main key for companies to compete and retain consumers, so that consumers become loyal. The company's sustainability must be unique, not easily imitated and can survive (Krasnikov & Jayachandran, 2008). These advantages can support the company's sustainability (Morgan, Vorhies & Mason, 2009; Vorhies, Morgan & Autry, 2009). Marketing capabilities must be able to adapt to the changing times, meet the growing demands of consumers and understand the changing market (Day, 1994). Companies with good marketing skills will have characteristics that are easily countered by customers.

Understanding marketing capabilities are activities related to distribution and advertising channels (Vorhies, 1998; Vorhies & Harker, 2000; Vorhies & Morgan, 2005; Weerawardena, 2003). Meanwhile, marketing skills at a higher level emphasize branding and product/service innovation. The company's ability to innovate its products/services is one of the keys to the company's competitive advantage (Han, Kim, & Srivastava, 1998; Hooley et al., 2005). The performance of marketing capabilities in the company includes several perspectives, namely understanding of the marketing mix, managerial abilities, and the ability to face competition (Mehta et al., 2020).

According to Håkansson (1997) networks are important for companies in 4 areas: managerial areas (important for companies in determining strategies for dealing with other organizations), entrepreneurial activities, technology development (here networks can both enrich and prevent development) and for areas of relationship with other organizations, customer. Network marketing can use several sources, including personal contacts who have been colleagues, friends, family, and the closest environment and use these relationships as trusted and reliable sources (Granovetter, 1985). Marketing capabilities, which are important resources for competitive advantage and superior performance, are believed to have a positive and significant relationship with customer networking, which plays a role in accessing information. This is also stated in the research hypothesis conducted by Evers and Knight (2008) suggesting that the role of marketing capabilities contributes to the formation and improvement of customer networks. Therefore, based on the research above, the author believes that:

H2: The higher marketing ability of an organization, the higher network relationship or customer network.

C. Customer Network

When a business is close to its relations/customers, then it doesn't have to spend a lot of money to do market research. And when a business is able to meet the needs of its customers, it does not have to spend a lot of money to attract new customers with advertisements (Singh and Koshy, 2012). Consumers want to be understood, respected, and owned, so if the sales team has made a good relationship, understands the needs of their customers and provides solutions to every problem faced in marketing, that's when an emotional bond is created (Hatten et al., 2012). They are more meaningful and loyalty to the brand grows, and the growing business tends to be relevant as it continues to adapt to the needs of its
customers. Various needs and desires of customers become a challenge for a business that grows in it, automatically it encourages businesses to innovate (Torun and Icekci, 2007, Swaminathan, 2007).

People naturally seek relationship support when they are facing difficult times. Thus, when a business provides support to its customer relationships or network, it means that it builds long-lasting loyalty bonds and finds new resources to thrive in difficult times (Lindblom et al., 2008). Clique Network is a reliable network because it is a relationship that has known each other before making it easier for collaboration. In contrast, other groups such as the entrepreneurial group often include individuals with differing interests, goals, and styles. This relationship leads to a relationship that is less useful because it is contradictory, where each party prioritizes his own interests. Members who are not able to compete will usually come out as members of the group, while those who are able to position themselves will be recognized as members of the group and have strong support for one another.

Therefore, the author has the assumption that Marketing Capabilities have a positive and significant influence on Salesperson Performance. This statement is reinforced by previous research that, the argument shows that through the development and utilization of resources the company has a set of marketing capabilities that enable the company to achieve higher levels of corporate performance and sales (Hunt and Morgan, 1995); (Yalcinkaya, Calantone & Griffith, 2007). This assumption can be stated by the author in a hypothesis that:

H1: The higher marketing capability or capability of a company, the stronger and higher the achievement capability achieved by the salesperson will be.

D. Salesperson Achievement

In a company, the big role of the sales department is very important. The sales team is the spearhead of the company that will provide a lot of profit and income that will be enjoyed by all company employees in the end. (Lam, 2012, Voola et al., 2012). For this reason, we should provide a fairly decent award for sales, apart from incentives, it can also take other forms such as outings, certified awards, etc. (Flaherty et al., 2013). Things like this are often forgotten even though they can have a huge positive effect on the progress of the company.

Leaders need to do monitoring in terms of sales performance which has been divided into small teams which will make it easier to supervise (Spillecke and Breetel, 2013). Although in a team, each individual sales person still has personal targets that must be achieved that have been set by the company. Therefore, being a salesperson is not easy, when you are not able to achieve the target within the stipulated timeframe, a salesperson will get quite heavy sanctions from the company.

Sales performance among salespeople must be managed properly so that healthy competition can be maintained (Brown, Cron, & Slocum, 1998 study). Salespeople must be individuals who like to compete, so they always have the motivation to be the best and encourage other salespeople to be able to compete fairly (Brewer, 1994). Successful salespeople are those who are disciplined, target oriented and able to work hard to achieve success. Brown et al. (1998) suggest that individuals who are able to compete in each of their sales activities are individuals who have a good sales record and are always increasing. Hurley (1998), suggests, on the other hand, salespeople who have good personalities, are usually able to work well together and care about company targets. As stated by Spence and Helmreich (1983) and Roberts (1989) about achievement motivation, the results of their study conclude that competitive ability is strongly related to marketing performance. Marketing performance is a measure used in determining the success of the company. Marketing performance is a factor used to measure the impact of a company's strategy in general, it is always directed to produce superior marketing performance. According to Pelhan (1997), marketing performance also provides three dimensions, namely: 1) company effectiveness, 2) Sales growth and 3) profitability.

The cooperative relationship that exists between the salesperson and his customer network is based on the belief that the salesperson has a good judgment and perception of the customer, which arises based on his perception of the integrity, reliability, and competence of the salesperson. Trust in this salesperson will reduce the feeling of uncertainty (uncertainty) subscribers in the network. Existing networks, for salespeople to work and their environment, make it easier for salespeople to take risk (risk-taking), and help create collaboration and improve performance (Yilmaz and Hunt, 2001). In addition, the company also needs to focus on the reward system that applies in the company. The reward system is very influential on the performance of salespeople, for that companies need to pay attention to the reward system so that the reward system applied by the company is either financial (salaries, bonuses, and commissions) or non-financial (career opportunities, promotions, and job guarantees). can actually motivate salespeople to work diligently in order to produce high performance (Churchill et al., 2000). According to Yilmaz and Hunt (2001) if a company runs a reward system appropriately, the reward system will have an impact on the behavior of salespeople in carrying out their work, therefore this reward system can create a high performance for individual salespeople. In the above study, the authors assume that the Customer Network will have a significant impact on salesperson performance. This statement is supported by previous research by Abed and Haghi, 2009, the hypothesis that the relationship between relational sales and sales force performance has a positive relationship. Therefore, the fourth hypothesis as follows:

H2: The better consumer network of a company, the better sales performance achieved by the salesperson.

III. Method

The population in this study are salespeople who have worked at least one year and are in the same sales area, namely West Kalimantan, these characteristics have the ability to meet the requirements (Ferdinand, 2014). The same thing was stated by Sugiyono (2012) who said that the population can be in the form of regional boundaries, characteristics, certain qualities needed by researchers so that they can be studied and then draw conclusions.
In this study, the population is all salespeople throughout the West Kalimantan area who sell products from various distributors, agencies and dealers with various products such as packaged food and beverage products (consumer goods products), pharmaceuticals, building materials, electronics, office stationery, basic necessities and others. The sample of this research is a number of 200 respondents according to the sampling method above, namely with the criteria of a salesperson (Salesperson). The sampling method uses the mix method, namely direct visits to company distributors whose companies are located outside the city by directly meeting their salespeople, while distributor companies domiciled in the city, the author uses the West Kalimantan Distribution Company Communication Forum facility, collecting all sales personnel, and in the forum, salespeople are asked to fill out a prepared questionnaire.

The Likert method is used in this study to obtain answers in stages (Wuenisch, 2005). With this tiered option, the existing data can be transformed into from interval to ordinal which will then be processed using the Structural Equation Modeling (SEM) Analysis method in AMOS 22 software. After performing a confirmatory analysis and getting a fit model, each variable can be used to defines the latent construct so that the Full SEM Model is expected to be analyzed. Based on the theoretical analysis presented on the research background, the research and technical methods used by this theoretical (conceptual) model are to conduct studies and test analyzes of several inter-relationships. Therefore, the researcher research model can be seen in Fig. 1 below:

![Research Model](image)

Fig. 1. Research Model.

### IV. FINDING

#### A. Validity and Reliability Test

Table I above describes the results of the validity and reliability tests on 19 variable indicators with 200 respondents to questions on each variable, having a corrected item value greater than 0.5 so it can be concluded that all of the questions are valid. The Cronbach alpha value obtained for each variable is greater than 0.7 so it can be concluded that each of these variables is reliable Table I.

#### B. Normality Test

The normality test on the Critical Ratio (CR) is the z value of the measurement of the kurtosis of the data distribution. An abnormal value is a value whose CR is greater than ±2.58 at the 0.01 significance level. Based on table 2 below, each indicator has a CR value that is in the range of -2.58 and 2.58, so it can be concluded that normality is met. Likewise, the multivariable CR value obtained is 2.565 which is in the range of -2.58 and 2.58, so it can be concluded that the assumption of multivariate normality is met.

<table>
<thead>
<tr>
<th>Variable</th>
<th>min</th>
<th>Max</th>
<th>skew</th>
<th>Kurtosis</th>
<th>CR</th>
<th>c.r.</th>
</tr>
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<td>5.000</td>
<td>-0.351</td>
<td>-2.027</td>
<td>-0.615</td>
<td>-1.777</td>
</tr>
<tr>
<td>SP4</td>
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<td>-0.803</td>
<td>-2.318</td>
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<td>0.383</td>
<td>-0.524</td>
<td>-1.512</td>
</tr>
<tr>
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<td>0.704</td>
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<td>-1.598</td>
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<td>0.929</td>
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<td>0.943</td>
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<td>5.000</td>
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<td>-0.775</td>
<td>0.061</td>
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<td>2.565</td>
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**TABLE I: VALIDITY AND RELIABILITY TEST**

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<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Corrected Item-Total Correlation</th>
<th>Critical Ratio</th>
<th>Result</th>
<th>Cronbach's Alpha</th>
<th>Result</th>
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<td></td>
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<td>OCO3</td>
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<td>0.835</td>
<td>0.4</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCO5</td>
<td>0.765</td>
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DOI: http://dx.doi.org/10.24018/ejbmr.2022.7.2.1219
C. Goodness of Fit Test

Based on Table III below, it can be seen that of the 9 criteria tested, there are 7 criteria that are included in the Good fit category, 1 criterion is included in the Marginal fit category, and 1 category is included in the Significant category. So that overall, the Good fit criteria can be accepted and the model analysis can be continued.

The results of the Goodness of Fit test in Table III, where the test is a total of 200 respondents, it can be explained that the conceptual model testing on a total scale of X1 value of 566.999 with a probability of 0.000 has met the model fit criteria. The expected value is X2 which is smaller with probability > 0.05. The value of X2 is very sensitive to the size of the sample and there is a tendency that the value of X2 will always be significant. Thus, it is necessary to look at other Goodness of Fit measures. The GFI value of 0.833 has met the required limit of 0.90. The absolute values of other measures in this study are CMIN/DF and RMSEA. The value of CMIN/DF in this study was 1.658, less than 2, and it turned out to have met the model fit criteria. While the value of RMSEA (Root Mean Square Error of Approximation) which is also a measure to improve the tendency of the Chi Square statistic to accept a large number of samples. The RMSEA value of 0.057 which is smaller than 0.08 has also met the criteria of good fit. In the Incremental fit measure using the TLI index, which is 0.936, greater than 0.90, it also fulfills the fit requirements. The CFI value of 0.942 and theIFI of 0.943 also met the requirements. Furthermore, the measurement of parsimonious fit measures using the PGFI and PNFI indices of 0.701 and 0.781, respectively, is more than the required limit above 0.50, a higher value indicates a more parsimony model.

<table>
<thead>
<tr>
<th>TABLE III. GOODNESS OF FIT TEST</th>
</tr>
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<tbody>
<tr>
<td>Goodness of Fit Index</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>A Chi – Square Significance Probability</td>
</tr>
<tr>
<td>CMIN/DF</td>
</tr>
<tr>
<td>GFI</td>
</tr>
<tr>
<td>RMSEA</td>
</tr>
<tr>
<td>Incremental Fit Measure TLI</td>
</tr>
<tr>
<td>Parsimonious Fit Measures CFI</td>
</tr>
<tr>
<td>IFI</td>
</tr>
<tr>
<td>PGFI</td>
</tr>
<tr>
<td>PNFI</td>
</tr>
</tbody>
</table>

D. Hypothesis Test

The OCO (Organization Competitive Orientation) variable has a P-value of 0.032. Because the value is lower than 0.05, then H1 is accepted, meaning that OCO has a significant effect on MC (Market Capabilities). As in the research hypothesis conducted by Weerawardena, O’Cass & Julian (2006) stated that Competitive Orientation ultimately has a significant effect on the company’s marketing ability. Therefore, the researcher’s hypothesis can be interpreted that: The higher the level of competitive orientation of an organization, the higher the capability or marketing ability of the organization.

The variable MC (Market Capabilities) has a P-value of *** (lower than 0.000). Because the value is lower than 0.05 then hypothesis 2 (H2) is accepted, meaning that MC has a significant influence on CN (Customer Networking). The results of this study are in line with the results of research conducted by Evers and Knight (2008) which stated that the role of marketing ability contributes to the formation and improvement of customer networks. So based on the research above, the author believes that the higher the marketing ability of an organization, the higher the network relationship or customer network.

The variable MC (Market Capabilities) has a P-value of *** (lower than 0.000). Because the value is lower than 0.05, then hypothesis 3 (H3) is accepted, meaning that MC has a significant effect on SP. The results of this study are reinforced by previous research that, the argument shows that through the development and utilization of resources the company has a set of marketing capabilities that enable the company to achieve higher levels of corporate performance and sales (Hunt and Morgan, 1995); Griffith, Yalcinkaya & Calantone, 2010, it can be stated by the author that: The higher the marketing ability or capability of a company, the stronger and higher the achievement ability achieved by the salesperson.

The CN (Customer Networking) variable has a P-value of *** (lower than 0.000). Because the value is lower than 0.05, hypothesis 4 (H4) is accepted, meaning that CN has a significant effect on SP. This study is supported by previous research by Abed and Haghigi (2009), the hypothesis of the relationship between relational sales and sales force performance has a positive relationship. It is concluded that the better the consumer network of a company, the better the sales performance achieved by the salesperson.

V. IMPLICATION AND RECOMMENDATION

The results of this study are expected to provide practical implications for various distributor service businesses, especially in West Kalimantan in running a distribution business to be taken into consideration in determining marketing strategies and better marketing performance. This study provides further implications that the Competition Orientation (Competitor Orientation); where a salesperson must understand the current strengths and weaknesses as well as the long-term capabilities and strategies of existing and potential competitors. Competitor orientation can be expressed through the level of monitoring competitor information and disseminating this information to all functions within the organization such as research and product development divisions, discussing with company leaders and managers how competitors’ strengths and strategies are currently developing or strategies that will be developed in the future.

<table>
<thead>
<tr>
<th>TABLE IV: HYPOTHESIS RESULT</th>
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<tr>
<td>Hypothesis</td>
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<tr>
<td>H1 MC &lt;--- OCO</td>
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<tr>
<td>H2 CN &lt;--- MC</td>
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<tr>
<td>H3 SP &lt;--- MC</td>
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Another implication of this research is also suggested that the concept describes an evolution of marketing strategy by focusing its attention not only on one side of orientation but always balancing between customer orientation and competitor orientation. These two concepts are needed to create customer satisfaction and obtain better company performance.

This research provides a theoretical contribution to the development of Market Orientation in relation to developing an Organizational Competition Orientation towards Salesperson Achievement. Significantly the theoretical contribution to the enrichment of the concept of Organizational Competition Orientation, Marketing Capability, Customer Networking and Salesperson Achievement. This research adds insight to salespeople, company leaders and business distributors to consider its application and use the right resources to achieve better marketing performance.

The results of this study are expected to provide practical implications for distributor business actors on the concepts of Organizational Competition Orientation, Marketing Capability, Customer Networking and Salesperson Achievement to make market development plans, considerations in business development and determine company strategies to achieve better marketing performance.

This study takes more samples in the city of Pontianak by empowering the Distributor Company Communication Forum, while the percentage of distributors outside the region is very small, for further research it is recommended that the distribution of the sample can be more evenly distributed, and the contribution of regional distributors can be more involved.

The percentage of distributor salesperson studied is very different, the largest is a food and beverage distributor, so this research cannot describe in detail what type of distribution business has more implications for competitor orientation. For the next researcher, it is possible for the distribution of research to be distributed among other product distributors.

It is hoped that distributor companies will be able to apply the results of this research in order to be able to make market development plans, considerations in business development and utilize the right resources as well as establish company strategies to achieve better marketing performance for their businesses.

The limitation of this research it was conducted in the West Kalimantan area, the future researchers can examine other areas such as greater Jakarta which is a business center, where competition is fiercer. In addition, the use of more respondents and the mix method will provide added value, because it can reveal more detailed things from the respondents, in this case the salesperson.

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CONFLICT OF INTEREST

Authors declare that they do not have any conflict of interest.

REFERENCES


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