

Uncertain Supply Chain Management

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Application of RBV theory in entrepreneurial orientation, dynamic capability and customer relationship management

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ABSTRACT

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Research in the field of marketing management with RBV Theory in improving business performance at river tourism objects. Entrepreneurial orientation and dynamic capability become independent variables with customer relationship management as mediation in improving business performance. Research analysis with SEM-PLS on 350 river customers in Kereng Bangkirai, Central Kalimantan, Indonesia. The research results show that entrepreneurial orientation is not directly significant to business performance, while customer relationship management is significant. Dynamic result ability is not significant to business performance and significant to customer relationship management. These results can be an introduction that business performance is very important with the role of entrepreneurial orientation and dynamic capabilities with customer relationship management mediation. Result implications can increase business capabilities with entrepreneurial oriented business strategies, dynamic capabilities and customer relationship management in improving business performance. In further research can consider market sensing capability as mediation.

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1. Introduction

Palangka Raya is the capital of the province of Central Kalimantan in Indonesia, which has a variety of interesting forms of business ranging from small and medium-sized businesses managed by the community, generally made from natural products to tourist attractions. One example is riverside tourism which can be used as a place to relax, family gatherings or office or organization gates. This riverside tour is excellent as a livelihood in the city of Palangka Raya. As time went on from the 2020-2022 pandemic, business performance conditions began to weaken, seen from the number of ticket sales for river boats. Based on data, the average decline rate is 30% per month, which has a huge impact on the tourism business. When viewed from the relatively cheap selling price of tickets, namely Rp. 15,000/person with an estimated time of \pm 45 minutes. This shows a threat to previous business actors to be able to survive and coupled with the current Covid-19 pandemic problem. The condition of the business environment which has been affected from an economic standpoint due to the current Covid-19 pandemic, is expected to revive in 2023, with good management through business strategies such as good resource management, by screening/evaluating management that refers to entrepreneurs, as the ability of business actors to create business strategies for Customer Relationship Management (Fahmi et al., 2021). The purpose of changing the business strategy refers to the Customer Relationship Management process carried out through the marketing system to improve business performance (Warren & Wardana, 2018), for the welfare of the community who are business actors in river tourism.

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Thus, business strategies can be applied in Customer Relationship Managements that rely on business management such as finance, analysis, systems, and technology (Johannes & Edward, 2022).

Customer Relationship Management in research is needed to manage a business because consumer needs and good customer relations will have an impact on increasing business income, so that the ability to innovate is needed so that businesspeople are able to become entrepreneurs, according to consumer needs (Ulpah et al., 2022). Management should be used effectively and efficiently, able to synergize with entrepreneurial orientation analysis to maintain business continuity with Customer Relationship Management. In several tourism businesses, problems related to pandemics have become a hot topic that can threaten businesses, but actually in terms of business strategy the business that is clearly affected is tourism related to health protocols. So that businesses with tourist objects are expected to be able to survive at this time, by implementing health protocols. The tourism business is a secondary category so it is likely to be affected by a decrease in income (Hanifawati & Listyaningrum, 2021). Thus, business actors must be able to manage their business wisely and quickly to manage management and creatively well and gradually in making decisions so that businesses can survive, even during a downturn in the community's economy.

Based on the gap phenomenon in this research, it provides opportunities for tourism businesses in the city of Palangka Raya, to be able to identify businesses with entrepreneurial orientation, dynamic capability and implement business strategies in customer relationship management. Management of business performance with innovative inputs to optimize revenue. Based on observations and empirical studies, this research was conducted to provide insights and results for business actors to improve business performance through customer relationship management. Thus, business actors in riverside tourism in the city of Palangka Raya can survive even though the business environment is in great demand by new business actors of the same type in the tourism sector. The research contribution is also to enrich research in the field of marketing management through business strategies for managing business with customer relationship management.

2. Literature Review

Entrepreneur orientation and customer relationship management are the becoming a business strategy in improving business performance (Saraswati & Santika, 2019), based on the RBV (Resources Based View) theory (Mousavi et al., 2018; Taher, 2012). Business capability in managing human resources and business resources to increase profits, where the higher the net profit margin, the better the operation of a business cycle. The level of profit turnover from resources so that efficiency and effectiveness in managing business and use of resources (Tanzil et al., 2021), which are described below:

2.1 Entrepreneur Orientation in improving Business Performance

The RBV theory in increasing the expertise of business actors states, the importance of applying skills and abilities in managing a business, identifying competitors, being able to see opportunities and being able to do so is feedback from entrepreneurial orientation according to expectations (Song et al., 2019). Opportunities in business development from the skills of business actors can improve the performance of business businesses in terms of time and manpower, business resources that have a variety of innovative characteristics in creating or developing new ideas (Fan et al., 2021). Several indicators in entrepreneurial orientation are a variety of skills (creative), innovative in seeing opportunities, developing business ideas. The reference in increasing the ultimate end of a business is income, based on the RBV theory, which is a good entrepreneurial orientation factor that will create a sustainable business as a positive response in increasing business (Sugiyarti et al., 2018).

The entrepreneurial orientation relationship factor will work well if a communication relationship is created that is in accordance with the business environment (Genc et al., 2019). Several patterns of working relationships that can be created in entrepreneurial orientation include: talent in introducing new products, determining production methods, marketing arrangements and being able to manage finances (Fan et al., 2021). This becomes an entrepreneurial orientation to be able to increase business profits. Business actors must be capable of solving problems and improving business standards, as well as being able to reach a wider market with technology as a promotional medium.

The development and design of good entrepreneurial orientation in driving business profits is influenced by opportunities in the knowledge-based market for business growth (Campi et al., 2021). Meanwhile, the system in entrepreneurial orientation is an effort by business units to produce different ideas and creations through field promotions, innovatively with high distribution methods, willingness, and skills (Kristinae et al., 2019). Business units that are able to maintain and manage the business properly can maintain relationships with the business environment and establish good cooperative relationships in realizing a sustainable business. Based on empirical studies and phenomena, this study proposes a hypothesis:

H₁: *Entrepreneurial orientation that is both positive and significant increases business performance.*

H₂: *Entrepreneurial orientation that is both positive and significant increases Customer Relationship Management.*

2.2 Dynamic Capability improve Business Performance

Dynamic capability is the ability to manage knowledge and creativity with methods of being able to keep up with business changes, to make changes (Qamari et al., 2020) such as; Generate new ideas to increase business profits. The main component

in dynamic capability is to innovate in promotion, which is an activity to be carried out in an ongoing process (Bhatti et al., 2020), and in the application of RBV theory it states that system changes or notification changes (promotions) can create effectiveness and efficiency (Ekawati et al., 2022) in reaching wider customers/markets (Mousaci et al., 2018). Business strategy with dynamic capability must be carried out with mature and structured management, according to the RBV theory the fundamental needs of marketing are the need for existence, consumer needs and the need for marketer relations in production, consumption and distribution which have a positive impact on business performance (Sabahi & Parast, 2020).

From a perspective, indicators of the three main points in RBV theory are adopted in research as dynamic capability in managing marketing, changing promotion systems, evaluating product performance, capable of significantly improving business performance. The application of dynamic capability is a managed effort to build a business strategy based on consumer needs (Witarsana et al., 2022). In addition, business actors who are able to synergize with marketing and dynamic capability systems will be better able to manage their business in a sustainable manner. Knowledge and creative thinking in dynamic capability are very relevant for facing challenges and identifying problems in making sustainable product/business unit decisions amidst an uncertain business environment (Dalle et al., 2020). Based on previous theories and empirical studies, the following hypotheses are proposed:

H3: *Good dynamic capability is significantly positive to improve business performance.*

H4: *Good dynamic capability is significantly positive to increase Customer Relationship Management.*

2.3 Customer Relationship Management improve Business Performance

The RBV theory states that business actors in carrying out Customer Relationship Management are a way in the field of marketing management as a process to open up opportunities for ideas from external or internal parties by applying creativity (Christa & Kristinae, 2021). Customer Relationship Management in marketing management is very closely related to the process of change, both from the marketing system, promotion system to Customer Relationship Management activities to deal with demands for changes in the business environment which can have an impact on improving business performance (Mukhtar et al., 2020). Thus a business that is able to survive and develop is capable of implementing Customer Relationship Management, which means having an economic growth approach from business performance by managing and implementing consumer needs, with Customer Relationship Management.

Customer Relationship Management performance in the field of marketing is a method and concept that leads to good relations with consumers and knowing consumer needs, namely making changes to increase innovation from the creativity of business actors and consumer behavior. Customer Relationship Management is important for business improvement, through good relations with consumers and developing new ideas by understanding the existence of a business in building a strong business when there are unexpected problems such as the covid-19 pandemic (Santika et al., 2022). The success of changing business methods and implementing Customer Relationship Management in business units in managing marketing so that products can match consumer expectations to improve business performance (Mantikei et al., 2020). Based on empirical studies and phenomena, this study proposes a hypothesis:

H5: *Customer Relationship Management significantly positively improves business performance.*

2.4 Theoretical framework

Theoretical becomes systematic in conducting research, to see the direction and results as a basis for making decisions made from empirical studies and previous research gaps. The end result of the research is an endogenous variable, namely improving business performance and mediating customer relationship management. Input to output is then made to build a conceptual framework that becomes a research novelty. Based on the RBV theory, business performance during a pandemic greatly demands the expertise and abilities of business actors from the proactivity of business actors with entrepreneurial orientation and dynamic capability variables. Because changes in business and consumer needs do not increase, it can impact business performance directly and indirectly. So this research also seeks the results of the Customer Relationship Management mediation function in improving business performance. To make it easier to refer to the results, a research concept framework was built based on theory in variables and hypotheses, as follows.

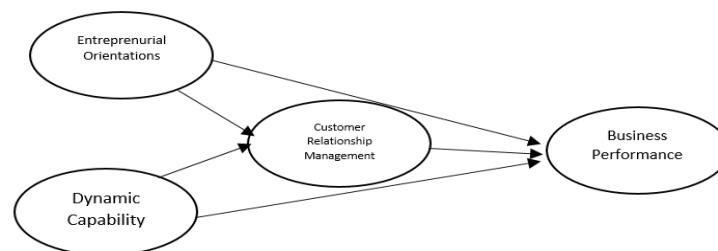


Fig. 1. Concept Framework

3. Research Method

This research is descriptive research with a hypothesis that aims to measure how much influence the antecedents of entrepreneurial orientation and Customer Relationship Management are based on questionnaires distributed directly to 350 fern vegetable cracker business actors. In quantitative research, data collection, interpretation of data and drawing conclusions were carried out using the PLS SEM application (Fahmi et al., 2021). Previous research instruments were tested for validity and reliability to test the validity of the questionnaire used in research (Dewi et al., 2021). This is then done by running data, to see how much influence each applicable variable has in answering the hypothesis (Kristinae et al., 2020).

4. Research Results

The results show that all the indicators are valid and reliable from Cronbach alpha values > 0.7 and convergent values > 0.6, the results are in table 1, so the analysis can be continued. That is, the data is reliable and valid for further testing.

Table 1
Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Business Performance	0.915	0.946	0.854
Dynamic Capability	0.834	0.899	0.748
Entrepreneurial Orientation	0.922	0.949	0.862
Customer Relationship Management	0.877	0.924	0.803

Source: authors, 2022

After running the data, it was stated that all indicators were above 0.7 (already fulfilling the statistical requirements). So that all valid indicators are able to characterize the variables (Sumerta & Wardana, 2018). The results prove that there is a causal relationship between the exogenous variables and the endogenous variables, along with the results.

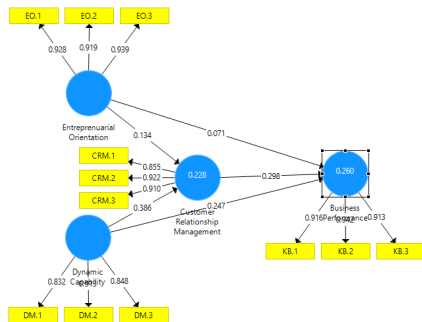


Fig. 1. The results

Source: Authors, 2022

Table 2
Path Coefficients

Hypothesis	Original Sample (O)	Standard Deviation	T-Statistics	P-Value	Results
H ₁ : Entrepreneurial Orientation → Business Performance	0.071	0.127	1.564	0.573	Not Significant
H ₂ : Entrepreneurial Orientation → Customer Relationship Management	0.361	0.124	2.997	0.004	Significant
H ₃ : Dynamic Capability → Business Performance	0.247	0.147	1.680	0.094	Not Significant
H ₄ : Dynamic Marketing → Customer Relationship Management	0.386	0.128	3.013	0.003	Significant
H ₅ : Customer Relationship Management → Business Performance	0.298	0.126	2.357	0.019	Significant

As a basis for descriptive interpretation, seen from the path coefficients, which shows that the significance of the t-count is > 1.96 and the p-value is <0.5 (Kristinae et al., 2019). Based on the results, it shows that there are two hypotheses that are not significant and three hypotheses that are significant, along with the results of the analysis.

Based on the results it proves that hypothesis 1 is not significant from the t-statistical value of 1.564 < 1.96 and the p-value of 0.573 > 0.05. Stating that the relationship variable cannot directly improve business performance EO. Hypothesis 2 is significant from the t-statistic value of 2.997 > 1.96 and p-value 0.00 < 0.05. These results prove that there is a role for EO in encouraging Customer Relationship Management to improve business performance. Hypothesis 3 is not significant from the t-statistical value of 1.680 < 1.96 and p-value 0.09 > 0.05. These results prove that DM is not able to directly improve business performance. Hypothesis 4 is significant from the t-statistic value of 3.013 > 1.96 and p-value 0.00 < 0.05. These results prove that there is a role for dynamic capability in encouraging Customer Relationship Management in improving business performance. Hypothesis 5 is significant from the t-statistic value of 2.357 > 1.96 and p-value 0.01 < 0.05. These results prove that Customer Relationship Management is very good at improving business performance. Based on the RBV theory, good resource management effectively and efficiently with the ability of business actors and business dynamics that are followed by business actors can improve business performance (Anggraini et al., 2022). The results prove that the role of entrepreneur

orientation and dynamic capability must be through Customer Relationship Management (CRM) to improve business performance in riverside tourism in Kereng Bangkirai, Central Kalimantan province.

5. Conclusion

The results of the study prove that entrepreneurial orientation is very good as a driving force for Customer Relationship Management activities in improving business performance. Based on the RBV theory, this states that EO has the characteristics of actors who are success-oriented, have a bold desire to take risks, have the power of resources to do business, these results are in line with what Iqbal & Yuliandari did, (2019); Rashin & Ghina, (2018) . Furthermore, dynamic capability has a good role in encouraging Customer Relationship Management in improving business performance. DC has the characteristics of a strategic management framework that emphasizes the ability to manage resources quickly in a rapidly changing business environment (Salunke et al., 2019; Bogers et al., 2019). Based on the RBV theory, it states that resources can be the main source of competitive advantage in the modern business world, such as maintaining business by managing business by proactively scanning the environment, focusing on market demand, managing business technology according to consumer needs (Muna et al., 2022; Augustine, 2020).

The research results can provide a basis for improving the performance of riverside tourism businesses in Keren Bangkirai, Central Kalimantan Province in Indonesia by implementing Customer Relationship Management in a marketing system, which provides an overview of consumer needs from good relationships with consumers. CRM can be a new marketing method or a significant improvement in good Customer Relationship Management indicators, namely product continuity programs, easy purchasing methods, customer satisfaction. Customer Relationship Management with the encouragement of EO and DC is an optimal marketing strategy to increase revenue, customers and expand product markets in the field of riverside tourism. Hypothetical results that are not significant can be an opportunity to develop research by considering market sensing ability variables.

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