



The Role Of Market Orientation, Customer Orientation, And Digital Marketing In Improving Small And Medium-Sized Enterprises (SMEs) Marketing Performance In Sidoarjo

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Abstract. This study aims to examine and analyze about the effect of Market Orientation, Customer Orientation, and Digital Marketing on Marketing Performance at Small and Medium-Sized Enterprises (SMEs) Leather Craftmen in Tanggulangin Sidoarjo. The population in this study were all leather craftsmen in Tanggulangin, Sidoarjo. The number of samples used is 100 respondents. The sampling used in this study uses probability sampling techniques with simple random sampling techniques. Data analysis used multiple linear regression data analysis with the SPSS 22.0 application program. The results of the study prove that there is an effect of market orientation on marketing performance, there is an effect of customer orientation on marketing performance, and there is an effect of digital marketing on marketing performance. The results of the study prove that market orientation has an effect on marketing performance, customer orientation has an effect on marketing performance, digital marketing has an effect on marketing performance.

Keywords - Market Orientation; Customer Orientation; Digital Marketing; Marketing performance

Abstrak. penelitian ini bertujuan untuk mengetahui peran Market orientation, Customer orientation, dan Digital marketing terhadap kinerja pemasaran UMKM Pengrajin Kulit di Tanggulangin Sidoarjo. Jenis penelitian ini menggunakan penelitian kuantitatif. Populasi dalam penelitian ini adalah semua pengrajin kulit di Tanggulangin Sidoarjo. Jumlah sampel yang digunakan yaitu 100 responden. Sampling yang digunakan dalam penelitian ini menggunakan teknik probability sampling dengan teknik simple random sampling. Analisis data menggunakan analisis data regresi linier berganda dengan program aplikasi SPSS 22.0. Hasil penelitian membuktikan bahwa terdapat pengaruh market orientation terhadap kinerja pemasaran, terdapat pengaruh customer orientation terhadap kinerja pemasaran, dan terdapat pengaruh digital marketing terhadap kinerja pemasaran. Hasil penelitian membuktikan bahwa market orientation berpengaruh terhadap kinerja pemasaran, customer orientation berpengaruh terhadap kinerja pemasaran, digital marketing berpengaruh terhadap kinerja pemasaran.

Keywords - Market Orientation; Customer Orientation; Digital Marketing; Kinerja Pemasaran

I. INTRODUCTION

The existence of Small and Medium-Sized Enterprises (SMEs) provides great benefits for society. In addition, Small and Medium-Sized Enterprises (SMEs) have a role in the tourism development process as well as processes of culture and customs that can also be maintained through creativity that is created in line with the business that is created [1]. The existence of Small and Medium-Sized Enterprises (SMEs) are able to minimize existing unemployment and become one of the ways to increase purchasing power in the community so that they can contribute to improving and driving the economy nationally and internationally. Sidoarjo has many Small and Medium-Sized Enterprises (SMEs), one of which is Small and Medium-Sized Enterprises (SMEs) leather craftsmen in Tanggulangin. Because the Tanggulangin area itself has earned the designation of a tourist area for the leather craftsman industry, especially in the Kludan village area. Seeing the success of the strategy implemented by Small and Medium-Sized Enterprises (SMEs) in Tanggulangin, it is evident that various problems have arisen, such as the ups and downs of sales in certain months due to internal and external factors.

Marketing performance is an important part of a company's overall performance, along with the factors used to measure the impact of the implemented strategy [2]. The marketing performance variable in this study is a benchmark for digital marketing strategies to improve the marketing performance of Small and Medium Enterprises (SMEs). To keep marketing performance stable, a market orientation, customer orientation, and digital marketing

are needed so that it can prove directly whether this has a relationship or not with the resulting marketing performance [3]. Marketing performance indicators include: Sales volume is the volume or number of product sales that have been successfully achieved by the company, Customer growth is the level of customer growth that has been achieved by the company, and Increase in profits is the amount of product profits that have been successfully marketed and achieved by the company [1].

Market orientation is a way for companies to be able to see information on customer needs and wants at this time, and take action on Consumer Orientation information, so that information can be taken about strengths and weaknesses and what strategies can be carried out in the long term. Market-oriented companies retain existing customers by maintaining customer satisfaction and loyalty, acquiring new customers, achieving desired levels of growth and market share, and achieving desired levels of business performance [4]. Market orientation indicators include: Customer orientation, Competitor information, and Inter-functional coordinator [4]. The research results prove that market orientation has a significant effect on marketing performance [4]. Other results prove that market orientation has a positive and significant effect on marketing results [5]. However, several studies have proven that some research is not in line with the theory in question. Other research proves that market orientation has no effect on marketing performance [6]. In addition, other studies prove that market orientation has no effect on marketing performance [7].

Customer orientation is how a company can understand consumer needs and can adjust the response of a sales organization to satisfy customers. The key to winning the competition and maintaining business continuity is to empower strategic resources flexibly and proactively focus on efforts to understand what are the needs and wants and expectations of customers and then offer the right solutions for them [3]. Indicators of customer orientation include: Commitment of all managers to efforts to satisfy customers, Gathering information on customer needs and desires to be fulfilled by the company, Trying to determine how to satisfy customers, Trying to find out customer complaints, Trying to always pay special attention to each customer [8]. In accordance with the results of similar studies that prove that customer orientation has a positive effect on marketing performance [9]. The results of research that are in line prove that customer orientation has a direct effect on marketing performance [3]. In addition, there are research results that are contrary to previous findings, which are that customer orientation does not have a direct impact on marketing performance [10].

Digital Marketing is an activity that uses technology or digital media as a means of promoting the goods or services offered, either through electronic media, or through advertisements on the web. Digital marketing indicators include: Cost, Incentive program, Site design, and Interactive [1]. The results of the research are in accordance with the results of similar studies proving that digital marketing has a direct, positive and significant effect on marketing performance. In addition, the results of this research prove that there is an influence of digital marketing on improving marketing performance in Toba Regency [1]. In addition, there are several studies that prove varying results between digital marketing variables and marketing performance, which is the results of these studies prove that digital marketing does not have a significant impact on marketing performance [10].

Based on the description above, Gap Evidence was found, which relates to findings or evidence which is found in research that is very contrary to the conclusions of various general concepts or facts that have been accepted [2]. This research aims to support the 8th Sustainable Development Goals (SDGs) program to support sustainable growth, inclusion and decent work for all.

The inconsistency of research results between market orientation, customer orientation, and digital marketing variables on marketing performance variables is an interesting gap for further research related to the effect of market orientation, customer orientation, and digital marketing variables on marketing performance.

II. RESEARCH METHODS

A. Types of Research

In this type of research, researchers used a quantitative research approach. Quantitative is a research method based on the philosophy of positivism, which can be said to be used to examine certain samples or populations and by using statistics as calculations with the aim of testing the hypotheses that have been set [11].

B. Variable Identification, Operational Definition, and Variable Indicators

Variable Identification

Independent variables are variables that affect change or cause changes in the dependent variable [11]. The independent variables in this study are Market Orientation (X1), Customer Orientation (X2), and Digital Marketing (X3). The dependent variable, which is called the dependent variable, is the variable that is affected or becomes the result, because of the independent variables [11]. The dependent variable in this study is the Marketing Performance Variable (Y).

Operational Definition

The operational definition of variables in this study is useful for knowing the research variables to be observed, then they will be used in the research questionnaire, later analyzed to test the hypotheses that have been set in this study. The operational definitions of variables and various indicators in this study include :

1. Market orientation is a business approach or strategy that identifies the needs and wants of target consumers. Market Orientation is an important factor and effective organizational culture to create behavior important for creating superior value for buyers and performance in business or marketing. The various indicators include [12] :
 - a. Orientation to customers
 - b. Competitor information
 - c. Inter-functional coordinator
2. Customer Orientation is how a company can understand consumer needs and can adjust the response of a sales organization to satisfy customers. The various indicators include [13] :
 - a. Commitment from all managers
 - b. Gather information on customer needs and wants
 - c. Trying to determine how to satisfy the customer
 - d. Trying to find out customer complaints
 - e. Trying to always pay special attention to every customer
3. Digital Marketing is an activity that uses technology or digital media as a means of promoting the goods or services offered, either through electronic media, or through advertisements on the web. The various indicators include [14] :
 - a. Cost
 - b. Inservice Program
 - c. Site Design
 - d. Interactive
4. Marketing Performance is the final result that can be seen from the measurements and strategies developed by a business to achieve goals, organizational goals and the realization of the company's vision and mission, both planned from a financial and non-financial perspective which is useful for optimizing activities within the company which requires effectiveness and efficiency in implementing strategy. The various indicators include [15] :
 - a. Sales Volume
 - b. Customer Growth
 - c. Profit Increase

C. Population

The population generally includes generalized areas of objects or subjects with certain traits and characteristics that can be determined for researchers to study and draw conclusions [11]. In this study, the population consisted of 285 leather craftsmen in Tanggulangin, Sidoarjo.

D. Sample

The sample is part of the number and characteristics possessed by the population. For this reason, samples taken from the population must be truly representative or representative [11]. Sampling in this study used the Probability Sampling technique, which is a sampling technique that provides equal opportunities for each element (member) of the population to be selected as a member of the sample [11]. With the Simple random sampling technique, namely taking samples from a population that is carried out randomly without regard to the strata in that population [11].

The determination of the number of samples uses the Slovin formula as follows [11] :

$$n = \frac{N}{1 + N e^2} \quad (1)$$

Information :

n = Sample size required

N = Total Population

e = Allowable margin of error or significance level of 0.10 (10%)

$$n = \frac{N}{1 + N e^2}$$

$$n = \frac{285}{1 + 285 (10\%)^2}$$

$$n = \frac{285}{1 + 285 (0.10)^2}$$

$$n = \frac{285}{1 + 285 (0.01)}$$

$$n = \frac{285}{1 + 2.85}$$

$$n = \frac{285}{3.85}$$

$$n = 74$$

An appropriate sample size in research is between 30 and 500 samples [11]. So it can be concluded that the 100 respondents in this study are included in the sample size that is feasible to study.

E. Data Types and Sources

The type of data used in this study is a type of quantitative data, which data is in the form of numbers or quantitative data that is calculated [11].

The data sources used by researchers are primary data and secondary data. Primary sources are data sources that directly provide data to data collectors [11]. The primary data from this study came from distributing questionnaires to members who joined the Intako Tanggulangin cooperative. Statements in the questionnaire contain market orientation, customer orientation, digital marketing and marketing performance. Secondary sources are sources that do not directly provide data to data collectors. Sources of data obtained indirectly and previously collected or created by other parties [11]. The data obtained from this study came from Sella, a member who is a member of the Intako cooperative.

F. Data Collection Technique

The data collection technique that will be used in this study is using an instrument in the form of distributing questionnaires to respondents. Questionnaires are data collection techniques that are carried out by providing questions or written explanations to respondents to answer. Surveys can be in the form of private or public questions or statements that can be given directly to respondents or sent by post or via the internet [11].

Answers obtained from respondents will be measured using a Likert scale. The Likert scale is used to measure attitudes, opinions, and perceptions of a person and a group of people about social phenomena [11]. Variables to be measured with a Likert scale, then the measured variables will be translated into variable indicators. For the purposes of quantitative research, answers can be given a score which includes :

- For answers Strongly Agree (SS) will be given a weight of 5
- For answers Agree (S) will be given a weight of 4
- For a Neutral answer (N) will be given a weight of 3
- For answers Disagree (TS) will be given a weight of 2
- For answers Strongly Disagree (STS) will be given a weight of 1

With this, the number of question items in each variable can be determined : The market orientation variable is (3) statement items, The customer orientation variable is (5) statement items, The digital marketing variable is (4) statement items, The marketing performance variable is (3) statement item. So that the total statement of each variable is (15) statement items taken from 74 respondents.

III. RESULT AND DISCUSSION

A. Description of Respondent Characteristics

The characteristics of respondents based on gender include: 71 male craftsmen, while the rest were 29 female craftsmen, so that the total of all respondents was 100 people.

The characteristics of the respondents based on the age of the leather craftsmen in Tanggulangin include: dominated by craftsmen aged 36-43 years with a total of 35 craftsmen. While the rest are aged 28-35 years with a total of 28 craftsmen, those aged 20-27 years were 23 craftsmen, and those aged >43 years were 14 craftsmen. The total of all respondents was 100 people.

B. Validity Test

Market Orientation (X1)

Table 1. Market Orientation Variable Validity Test Results

Statement Items	R Count	R Table	Information
1	0,691	0,3	Valid
2	0,733	0,3	Valid
3	0,771	0,3	Valid

Source : SPSS 22 Data Processing Results

The results of the validity test on all statement items for each variable have a correlation coefficient value above 0.3 (> 0.3), so that it can be stated that the above test is valid and can be used in measuring the variables to be studied.

Customer Orientation (X2)**Table 2.** Customer Orientation Variable Validity Test Results

Statement Items	R Count	R Table	Information
1	0,660	0,3	Valid
2	0,811	0,3	Valid
3	0,805	0,3	Valid
4	0,743	0,3	Valid
5	0,727	0,3	Valid

Source : SPSS 22 Data Processing Results

The results of the validity test on all statement items for each variable have a correlation coefficient value above 0.3 (> 0.3), so that it can be stated that the above test is valid and can be used in measuring the variables to be studied.

Digital Marketing (X3)**Table 3.** Digital Marketing Variable Validity Test Results

Statement Items	R Count	R Table	Information
1	0,679	0,3	Valid
2	0,692	0,3	Valid
3	0,788	0,3	Valid
4	0,771	0,3	Valid

Source : SPSS 22 Data Processing Results

The results of the validity test on all statement items for each variable have a correlation coefficient value above 0.3 (> 0.3), so that it can be stated that the above test is valid and can be used in measuring the variables to be studied.

Marketing Performance (Y)**Table 4.** Marketing Performance Variable Validity Test Results

Statement Items	R Count	R Table	Information
1	0,761	0,3	Valid
2	0,847	0,3	Valid
3	0,824	0,3	Valid

Source : SPSS 22 Data Processing Results

The results of the validity test on all statement items for each variable have a correlation coefficient value above 0.3 (> 0.3), so that it can be stated that the above test is valid and can be used in measuring the variables to be studied.

C. Reliability Test**Table 5.** Reliability Test Result

Variable	Cronbach's Alpha	N of Items
Market Orientation (X1)	0,771	3
Customer Orientation (X2)	0,801	5
Digital Marketing (X3)	0,711	4
Marketing Performance (Y)	0,721	3

Source : SPSS 22 Data Processing Results

The reliability coefficient value of Cronbach's Alpha for the Market Orientation variable is 0.771, for the Customer Orientation variable it has a value of 0.801, Digital Marketing is 0.711, and Cronbach's Alpha value on the Marketing Performance variable is 0.721. All variables have a value greater than 0.5 (> 0.5) so that it can be said that all variables that have been tested have reliability.

D. Classical Assumption Test Normality Test

Table 6. Normality Test Results With Kolmogorov Smirnov Test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
<i>N</i>		100
<i>Normal Parameters^{a,b}</i>	<i>Mean</i>	,0000000
	<i>Std. Deviation</i>	1,55706433
<i>Most Extreme Differences</i>	<i>Absolute</i>	,080
	<i>Positive</i>	,039
	<i>Negative</i>	-,080
<i>Test Statistic</i>		,080
<i>Asymp. Sig. (2-tailed)</i>		,118 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source : SPSS 22 Data Processing Results

Based on the normality test data processing with the Kolmogorov Smirnov test on SPSS 22, the significance value of the Kolmogorov-Smirnov test is $0.118 > 0.05$. It can be concluded that the regression model is normally distributed or is a good regression model.

Autocorrelation Test

Table 7. Autocorrelation Test Results

Model Summary ^b					
Model	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	,566 ^a	,321	,299	1,5812	1,633

a. Predictors: (Constant), Digital Marketing (X3), Market Orientation (X1), Customer Orientation (X2)

b. Dependent Variable: Marketing Performance (Y)

Source : SPSS 22 Data Processing Results

Based on the results of the autocorrelation test, the Durbin Watson value was 1.633 with $dL < d < 4 - dU$ or $1.6131 < 1.633 < 2.2636$ which could mean that the multiple regression used in this study did not occur autocorrelation

. Multicollinearity Test

Table 8. Multicollinearity Test Result

Coefficients ^a								
<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>	<i>Collinearity Statistics</i>	
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>			<i>Tolerance</i>	<i>VIF</i>
1	(Constant)	3,206	1,509		2,125	,036		
	Market Orientation (X1)	,296	,099	,270	3,000	,003	,871	1,148
	Customer Orientation (X2)	,064	,070	,087	,909	,365	,769	1,301
	Digital Marketing (X3)	,280	,068	,382	4,108	,000	,818	1,222

a. Dependent Variable: Marketing Performance (Y)

Source : SPSS 22 Data Processing Results

Based on data processing, the Tolerance value was obtained for the Market Orientation variable of 0.871 and greater than 0.10, for the Customer Orientation variable it had a value of 0.769 and greater than 0.10, and for the Digital Marketing variable it had a value greater than 0.10 that is equal to 0.818. The VIF value for the Market Orientation variable is 1.148, for the Customer Orientation variable is 1.301, and for the Digital Marketing variable it has a VIF value of 1.222. All variables have a value of less than 10. So it can be concluded that the multiple linear regression used in this study is free from multicollinearity.

Heteroscedasticity Test

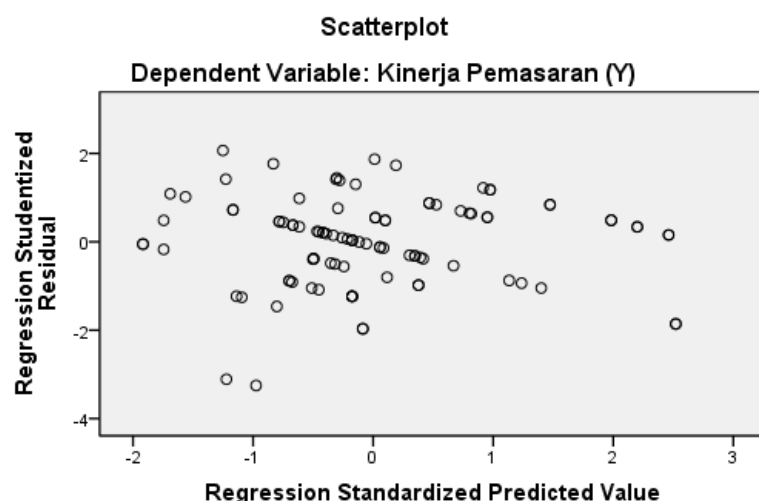


Image 1. Heteroscedasticity Test Results

Source : SPSS 22 Data Processing Results

Based on the results of data processing, it can be explained that there is no specific pattern and the scatterplot points spread randomly both above the number 0 and at the bottom 0 of the Y axis, so it can be stated that there is no heteroscedasticity.

E. Multiple Linear Regression

Table 9. Multiple Linear Regression Test Result

Coefficients^a					
Model		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	
1	(Constant)	3,206	1,509		2,125
	Market Orientation (X1)	,296	,099	,270	3,000
	Customer Orientation (X2)	,064	,070	,087	1,909
	Digital Marketing (X3)	,280	,068	,382	4,108

a. Dependent Variable: Marketing Performance (Y)

Source : SPSS 22 Data Processing Results

Based on the table above, it can be seen that the regression model of the four variables:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = 3,206 + 0.296X_1 + 0.064X_2 + 0.280X_3 + e \quad (2)$$

The interpretation of the multiple linear regression equation are :

a. Constant (a)

The positive constant value is 3.206. This shows that without the influence of independent variables (market orientation, customer orientation, and digital marketing), the value of the related variable (marketing performance) is constant at 3.206.

b. Market Orientation

The coefficient on the Marketing Orientation variable on Marketing Performance has a value of 0.296 and is positive so it can be concluded that Marketing Orientation has increased by 0.296.

c. Customer Orientation

The coefficient on the variable Customer Orientation on Marketing Performance has a value of 0.064 and is positive so it can be concluded that Customer Orientation has increased by 0.064.

d. Digital Marketing

The coefficient on the Digital Marketing variable on Marketing Performance has a value of 0.280 and is positive so it can be concluded that Digital Marketing has increased by 0.280.

F. Hypothesis Test

t Test

Table 10. t Test Result
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,206	1,509		2,125	,036
	Market Orientation (X1)	,296	,099	,270	3,000	,003
	Customer Orientation (X2)	,064	,070	,087	1,909	,002
	Digital Marketing (X3)	,280	,068	,382	4,108	,000

a. Dependent Variable: Marketing Performance (Y)

Source : SPSS 22 Data Processing Results

By using the assumption of a confidence level of 5% or 0.05 with a degree of freedom value of $K = 3$ and $df2 = n - k - 1$ ($100 - 3 - 1 = 96$) so as to obtain a table value of 1.66088, it can be concluded that :

1. Market Orientation affects Marketing Performance seen from the results of the t_{count} value of (3.000) while the t_{table} is (1.66088) then $t_{count} > t_{table}$ ($3.000 > 1.66088$). So it can be concluded that there is a strong influence on H_0 being rejected and H_1 being accepted. With a significance value ($0.03 < 0.05$) it can be interpreted that H_1 Market Orientation has an effect on Marketing Performance.
2. Customer Orientation has an effect on Marketing Performance, this can be seen from the results of the t_{count} value of (0.909) then $t_{count} > t_{table}$ ($1.909 > 1.66088$), so it can be concluded that there is a strong influence on H_0 being rejected and H_2 being accepted, with a value significance ($0.02 < 0.05$) it means that H_2 Customer Orientation has an effect on Marketing Performance.
3. Digital Marketing has an effect on Marketing Performance can be seen in the results of the t_{count} value of (4.108) while the t table is (1.66088) then the $t_{count} > t_{table}$ ($4.108 > 1.66088$), so it can be concluded that there is a strong influence on H_0 is rejected and H_3 is accepted. With a significance value ($0.000 < 0.05$) it can be interpreted that H_3 Digital Marketing has an effect on Marketing Performance.

f Test

Table 11. f Test Result
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113,290	3	37,763	15,104	,000 ^b
	Residual	240,020	96	2,500		
	Total	353,310	99			

a. Dependent Variable: Marketing Performance (Y)

b. Predictors: (Constant), Digital Marketing (X3), Market Orientation (X1), Customer Orientation (X2)

Source : SPSS 22 Data Processing Results

By using a significance level of 5% or 0.05 with a df value of $K = 3$ and $df2 = n - k - 1$ ($100 - 3 - 1 = 96$) it can be seen that the f_{table} value is (2.70) and the value f_{count} is (15.104), then the value on $f_{count} > f_{table}$ ($15.104 > 2.70$) with a significance value of $0.000 < 0.05$. So it can be stated that H_0 is rejected and H_4 is accepted, which means that the independent variables Market Orientation, Customer Orientation and Digital Marketing simultaneously influence Marketing Performance.

Determination Coefficient Test (R^2)

Table 12. Determination Coefficient Test (R^2) Result
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,566 ^a	,321	,299	1,5812

a. Predictors: (Constant), Digital Marketing (X3), Market Orientation (X1), Customer Orientation (X2)

b. Dependent Variable: Marketing Performance (Y)

Source : SPSS 22 Data Processing Results

In the table above, it can be seen that the results of the multiple determinant test (R^2) show a value of 0.321 or 32.1%, so that it can be explained that the Market Orientation, Customer Orientation, and Digital Marketing variables can explain the Marketing Performance variable in this study of 32.1% and the remaining 67.9% is explained by other variables that are not used as objects.

Correlation Coefficient Test (R)

Table 13. Correlation Coefficient Test (R) Result
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.566 ^a	.321	.299	1,5812	.321	15,104	3	96	.000

a. Predictors: (Constant), Digital Marketing (X3), Market Orientation (X1), Customer Orientation (X2)

b. Dependent Variable: Marketing Performance (Y)

Source : SPSS 22 Data Processing Results

In the table above, it can be seen that the R test shows an R value of 0.566. This can show the relationship between the independent variable and the dependent variable and can be said to be sufficient because it has a value close to 1.

G. Discussion

H₁: There is an Influence of Market Orientation on Marketing Performance

The results of the analysis prove that market orientation influences marketing performance. The influence of market orientation is positive and significant on marketing performance. The results of this study prove that Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin have understood and developed strategies to win the competition. In addition, the craftsmen also understand the needs that customers want and always coordinate with members for product development. Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin also conduct market research to find out the latest information about market conditions. With the success of the Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin in implementing market orientation, it has made customers committed so that they can improve marketing performance. This shows that the higher the business actor in the process of understanding the market, the higher the level of marketing performance achieved.

The results of this study are relevant to the theory which states that market-oriented companies retain existing customers by maintaining customer satisfaction and loyalty, attracting new customers, achieving the desired growth rate and market share, and the impact is being able to achieve the desired level of business performance [5]. The results of the study prove that in accordance with similar studies proving market orientation has a significant effect on marketing performance [4]. The results of the study prove that market orientation has a significant positive effect on marketing performance [5].

H₂: There is an Influence of Customer Orientation on Marketing Performance

The results of the analysis prove that customer orientation influences marketing performance. As for the positive and significant influence of customer orientation on marketing performance. The results of this study prove that the Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin have succeeded in gathering information about the needs and wants of their customers. The craftsmen also pay special attention to customers who come directly to the store or online, they pay attention by being friendly. In addition, the craftsmen have also determined several ways to fulfill their customer satisfaction both with the products and services they offer. Craftsmen know what complaints their customers complain about. This makes the Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin committed to their customers being satisfied with both the products and services provided.

The results of this study are relevant to the results of research proving that market orientation is sufficient understanding of buyers, the goal of buyers is to be able to create superior value for customers and companies so that it will lead to satisfactory marketing performance [3]. Besides that, the research results prove that market orientation has a positive and significant effect on marketing performance. Some research results also prove that market orientation has a direct effect on marketing performance [2].

H₃: There is an Influence of Digital Marketing on Marketing Performance

The results of the analysis prove that digital marketing has an effect on marketing performance. The influence of digital marketing is positive and significant on marketing performance. The results of this study indicate that Small

and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin have carried out promotional media using digital media to reduce promotional costs, craftsmen have used social media such as Whatsapp, Facebook, and Instagram to promote their products to reduce costs. promotion carried out, compared to using manual media such as banners and banners. By utilizing digital media, craftsmen are also able to communicate well with consumers through social media regarding various product information. Craftsmen have also provided an attractive appearance for promotional media on social media and provided attractive offers when carrying out promotions. These results indicate that Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin make good use of social media so as to attract customers to improve marketing performance.

The results of this study indicate that digital marketing has a direct, positive and significant effect on marketing performance. The higher the digital marketing, the higher the marketing performance. Even a slight increase in digital marketing will result in a relatively large increase in intellectual capital. The results of this study are relevant to the results of research which proves that digital marketing can improve the marketing performance of tourism Small and Medium-Sized Enterprises (SMEs) in Toba Regency [1]. In addition, several research results prove that digital marketing has a direct effect on marketing [16]. The results of further research prove that digital marketing has a direct effect on the marketing performance of Small and Medium Enterprises (SMEs) in Bogor City [17].

IV. CONCLUSION

Based on the research results above, it is known how much influence market orientation, customer orientation, and digital marketing have on marketing performance in Small and Medium-Sized Enterprises (SMEs) of leather craftsmen in Tanggulangin Sidoarjo. Based on the results of research using the SPSS application version 22.0, this study can draw the following conclusions:

1. Market Orientation influences Marketing Performance in Small and Medium-Sized Enterprises (SMEs) of Leather Craftsmen in Tanggulangin, Sidoarjo.
2. Customer Orientation influences Marketing Performance in Small and Medium-Sized Enterprises (SMEs) of Leather Craftsmen in Tanggulangin, Sidoarjo.
3. Digital Marketing has an effect on Marketing Performance in Small and Medium-Sized Enterprises (SMEs) of Leather Craftsmen in Tanggulangin, Sidoarjo.

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Conflict of Interest Statement:

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.