E-MARKETING ROLE IN MEDIATING EFFECT OF ORGANIZATIONAL SUPPORT, TECHNOLOGY COMPETENCE, EXTERNAL ENVIRONMENT OF BUSINESS PERFORMANCE ON SMALL & MEDIUM ENTERPRISES (SMEs) IN KENDARI City

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ABSTRACT

Business through the Internet provides a great opportunity and a marketing strategy that is becoming a phenomenon is an e-marketing is a very fast development to achieve the service to consumers but has a number of complex challenges that need to support organizational, technological competence, the external environment will affect the performance of the business Small and Medium Enterprises in Kendari. The development and growth of e-marketing influence on the business have seen and felt by the public as well as principals of. The purpose of this study to analyze the role of e-marketing in mediating effect of organizational support, technology competence, the external environment of the Small and Medium Enterprise business performance in Kendari. This research was conducted on the perpetrators of Small and Medium Enterprises in Kendari many as 45 respondents using the nonprobability method of sampling through purposive sampling technique. Data were collected by questionnaires. The analysis technique used is Partial Least Square (PLS). Based on the analysis found Organizational Support direct effect on e-marketing. Furthermore, e-marketing directly affects the business performance of Small and Medium Enterprises (SMEs) in Kendari. The results of this study also prove that there is significant Organizational Support indirectly through e-marketing to business performance Small and Medium Enterprises (SMEs) in Kendari. While Technology Competence and External Environment show that there is no influence either directly or indirectly through e-marketing as a mediation on the Performance of Small and Medium Business in the City of Kendari.

Keywords: E-Marketing, Organizational Support; Technology Competence; External Environment; Business Performance.

I. INTRODUCTION

Business via the Internet provides a great opportunity to reach consumers but have a number of complex challenges. If the lack of organizational support, technology competence, the external environment. The development of the influence of the Internet on business and society have seen and felt by the public. The Internet is fundamental to marketing provides powerful influence that large and small companies, particularly SMEs in the city of Kendari able to strive to customers build relationships in both sales and marketing communications. Trust institutions to SMEs still very low so it was hard to develop the business further (Cape, 2016). E-Marketing can be seen as a new philosophy as e-marketing or internet marketing is the term used to express the
marketing activities undertaken by a person or company using internet intermediaries. (El-Gohary, 2010). Marketing communications served to build awareness, penetration of the message and stimulus for action. (Best 2005). The marketing strategy is becoming a phenomenon of e-marketing is a very fast development, so this affects organizational support, technology competence, the external environment which makes SMEs in Kendari must take advantage of e-marketing role in achieving business performance. Furthermore, the study produced by Wirayasa, 2018, e-marketing showed a positive and significant impact on business performance. According to Kotler and Armstrong (2004) that the marketing side of e-marketing is the work of the company to communicate something, promote, and sell goods and services over the internet.

One of the components in e-marketing with special interest by marketers namely strategy-making process, distribution, promotion, and pricing of goods and services to the market share of the Internet or through other digital appliances Generally the activities of SMEs be things to note regarding planning, organizing, mobilization (activating), and monitoring (controlling). Management is a must for any company including SMEs in Kendari by using the management, the various forces in have to be able to be optimized. The weaknesses and threats can be minimized and SMEs in Kendari using the occasion as well as the opportunities that exist to develop its activities. The role of e-marketing as a mediation on the influence of organizational support, technology competence, the external environment affecting the business performance of SMEs in Kendari. Besides the issue of Production and Marketing is also the inability to manage the company (management capabilities which lower), problems that often hamper SMEs to flourish is the limited functions of the company, especially in production and marketing, (Tambunan, 2017). Competition in the face of market mechanisms increasingly open and competitive, SMEs need to increase market share. One solution is to take advantage of current technological developments (Nuryanti, 2013). Based on the description above then do a study on e-marketing role in mediating effect of organizational support, technology competence, the external environment on the performance of SME in the city of Kendari.

II. THEORITICAL STUDY

Indicators implementation of e-marketing by Supranto J. (2006), the dimensions used in measuring the implementation of e-marketing as follows: Information, presence, service Responsiveness of Services, process, usability. The role of e-marketing strategy is to help the "marketing mix" to make it easy to reach any firm or otherwise. E-Marketing is part of e-commerce is commerce system through the internet will continue to provide the properties up to date, then the company can provide the product information service offered clearly and easily. Senarathna and Wickramasuriya (2011) in Audita (2012) explains that organizational factors that can give effect to the adoption of e-commerce as part of e-marketing, namely: (a) cultural organization consisting of the type of organizational culture and characteristics of the hierarchy of culture, (b) technology resources is the availability of computer devices, the availability of technical resources, ownership of the website and internet access method, (c) the behavior of leaders who represent the views of managers or owners of SMEs to
innovation. That the adoption of e-commerce can be measured through all its business activities or business conducted online using information technology (Audita, 2012). Results of research Brodie et al. (2007) found that the application of e-marketing is positively related to performance marketing and research conducted by Tsiotsou and Vlachopoulou (2011) states that e-marketing is the positive and significant impact on business performance.

Further research was conducted by Mohammad (2012) that specifically, e-marketing interacts significantly with customer orientation, competitor orientation, coordination between functions, and marketing competence. Their e-marketing activity resulting from the market orientation of the company is expected to be able to improve the performance of the company itself. It showed that the higher the level of e-marketing, the higher the level of business performance Concept Marketing Mix (Marketing Mix) is a marketing management grouped into four aspects that are often known as the marketing mix or marketing mix. According to Kotler and Armstrong (2004) of the marketing mix (marketing mix) is a collection of controllable tactical marketing tools combined company to produce the response it wants in the target market. The marketing mix consists of four groups of variables called the "four Ps", namely:

1. **Product**
   - Product means a combination of goods and services offered to the target market. The elements included in the product mix, among others, product variety, quality, design, features, brand name, packaging, and services.

2. **Price**
   - Price is the amount of money that must be paid customers to obtain the product. Price is the only element of the marketing mix that produces revenue, while other elements generating costs. Price is the element of the marketing mix of the most easily customizable and requires a relatively short time, while the characteristics of products, distribution channels, promotion even need more time.

3. **Place**
   - Points or marketing channels include the activities of the company that made the product available to target customers. Distribution channels are a series of interdependent organizations involved in the process to make a product or service is ready to be used or consumed. Channels of distribution can be defined as the set of companies and individuals that had usurped or assist in the transfer of rights to certain goods or services for goods or services move from producer to consumer.

4. **Promotion**
   - Promotion means activities that deliver products and persuade customers to buy it. Definition sale is a wide range of activities undertaken by the manufacturer to communicate the benefits of its products, persuade, and remind the target consumer to buy the product.
   - In detail the purpose of sale by Tjiptono (2008) is as follows:
     a. Inform
     b. Persuade targeted customers
     c. Reminding
   - There are seven things to note in e-marketing, namely:
1. Promotion

Tools promotion such as advertising, sales promotion, and direct marketing has been expanded by the development of technology, which offers the potential to be able to communicate with customers more many. Telephone marketing, e-mail, mobile telephone, digital TV and the Internet is a technology that adds to traditional promotion tools that exist.

2. Price

That the Internet can benefit the company because it can reduce the costs associated with distribution then the customer can check, compare, and negotiate the price in the short term through the Internet, the problem of pricing in electronic marketing becomes an important issue for e-marketers.

3. Product

The Internet provides an opportunity to offer a product that can be customizable according to the customer's wishes.

4. Process

The process by which the customer receives the services of a company has introduced. The Internet makes service delivery system by the company to be more flexible.

5. Physical Evidence (Physical Evidence)

Physical evidence is reassuring customers to come and give evidence of the quality of products cannot be seen and touched in the virtual world. Therefore, in a virtual environment, the marketing department can present a virtual or virtual proof of evidence, such as a product image or brand logo.

6. People

Customer satisfaction (customer satisfaction) is a major concern. Customer satisfaction is often associated with personal customer relationships with the people who provide the services that they believe in the ability of the person. In online marketing, there is no personal interaction between customers and those who provide services or among customers. Therefore, the trust must be built through communication and brand message.

7. Place

The Internet provides the possibility or opportunity to enter a new market, which is not biased entered previously by the company through traditional marketing.

According to Supranto J. (2006), Dimensions used in measuring the implementation of e-marketing as follows:

1. The information consists of:
   a. Provide convenience to customers in obtaining information.
   b. Information provided in accordance with customer needs
   c. Information that can be obtained in a short time
   d. The programs are offered to meet the needs of consumers.
   e. The information available is up to date.
   f. Clear information to customers.
   g. The form of promotion to attract customers.
   h. Achieving a good marketing

2. Presence Services consist of:
a. Facilitate the services offered by the company.
b. Navigation functions are running properly.
c. Facilities that match customer needs.
d. The company's website can be accessed 24 hours 7 days.
e. Network technology that coordinates marketing activities.
f. Navigation function available on the web according to customer requirements.
g. Provides ease of maintaining customer relationships
h. Can build customer relationships.
i. Provides ease of communication with the company.
j. The needs of both parties that the company and customers more satisfied.
k. Customers can easily perform online activities to the company.

3. Responsiveness of Service
   a. E-marketing facilities provided rapid action when required by customers.
   b. E-marketing services provided can save time
   c. The waiting time between action that I took with excellent web response
   d. Suggestions and criticism travel faster.

4. Process
   a. Better information process
   b. Promotional activities run effectively
   c. The process of the overall marketing activities become so easy

5. Uses
   a. Being able to attract the attention of customers.
   b. Providing commitment and loyalty to the company
   c. Providing ease in obtaining information
   d. Marketing activity helps to obtain information effectively.

III. RESEARCH METHODOLOGY

The population in this study is the perpetrator Small and Medium Enterprises (SMEs) in Kendari ever/have made use of e-marketing as a mediating effect of organizational support, technology competence, the external environment affecting the business performance of SMEs in the city of Kendari. Mechanical sampling method nonprobability sampling with purposive sampling method is sampling with particular consideration. According, Roscoe, in each study, the sample size must be between 30 and 500 feasible in the study (Sugiyono, 2014).

Samples were selected as many as 45 SMEs in the city of Kendari as a respondent and respondent characteristics are intended to provide an overview of the identity of respondents, based on the company name, address, telephone / mobile, e-mail address, age of the company, Data used in this study are: 1) The quantitative data, that is data in the form of numbers that can be calculated are derived from the number of respondents, the age of the company, the calculation of the questionnaire relating to research on SMEs in Kendari. 2) Qualitative data is data that is not in the form of numbers associated with a problem of this study was obtained from interviews using questionnaires through scores of Likert scale as a result of the opinion of the SMEs in Kendari include responses or views that underlie the role of E-Marketing in mediating
the effects of organizational support, technology competence, External Environment of the business performance of SMEs in Kendari. The Variables studied about the role of e-marketing in mediating the effect of organizational support, Technology Competence, External Environment of the Business Performance of SMEs in Kendari city namely:

\[ Y = \text{Business Performance}, \text{which is the marketing concept picture of the extent to which changes in terms of sales volumes, improved earnings, the number of customers in the use of E-Marketing in Small and Medium Enterprises (SMEs) in Kendari.} \]

\[ Z = \text{E-Marketing is the marketing mix (product, price, promotion, place) through communication by Online covers provide and facilitate information products, providing pricing and discount information, promote products and disseminate communications services, facilitate access to product information received and prompt delivery process.} \]

\[ X_1 = \text{Organizational support that is the impetus arising from within the organization to have a financial adequacy, ready to accept the risk, and is committed to utilizing the E-Marketing.} \]

\[ X_2 = \text{Competence Technology that is related to facilities and infrastructures supporting technology owned by the company regarding the ability of the Human Resources (HR), Provision of Information Technology, Provision Program and adequate support systems in the use of e-marketing.} \]

\[ X_3 = \text{External Environment is the encouragement and motivation demands of consumers / suppliers, assess their business development, encouragement and demands of the government in the use of e-marketing in Small and Medium Enterprises (SMEs).} \]

Techniques Data analysis is analysis of inferential statistics is a method that deals with ways to draw conclusions about the characteristics of the population based on data taken from some members of the population, or referred to as a sample (Dayuh, 2013), inferential statistics used in this study using the (Partial Least Square (PLS) is a structural modeling technique that is suitable for complex research model which involves a lot of constructs and indicators (Hair et al, 2011).

**IV. RESULTS**

Ratings in this study on the role of e-marketing in mediating effect of organizational support, technology competence, the external environment to the business performance of SMEs in the city of Kendari.

**Assessment of Measurement Model (Outer Model) namely that Loading Factor**

Table 1. Loading Factor

<table>
<thead>
<tr>
<th>Variables</th>
<th>Loading Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Support (X1)</td>
<td>X1.1 0,780</td>
</tr>
<tr>
<td></td>
<td>X1.2 0,718</td>
</tr>
<tr>
<td>Technology Competence (X2)</td>
<td>X2.1 0,806</td>
</tr>
</tbody>
</table>

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## Assessment of Discriminant Validity

### Table 2. Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Value Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Support (X1)</td>
<td>0.562</td>
</tr>
<tr>
<td>Technology Competence (X2)</td>
<td>0.645</td>
</tr>
<tr>
<td>External Environment (X3)</td>
<td>0.711</td>
</tr>
<tr>
<td>E-Marketing (Z)</td>
<td>0.690</td>
</tr>
<tr>
<td>Business Performance (Y)</td>
<td>0.748</td>
</tr>
</tbody>
</table>

Based on the above table is inferred from the value of Average Variance Extracted (AVE) of each construct was above 0.5 (Moderate), meaning there is no problem Convergent Validity on models tested. Furthermore, the image value of Average Variance Extracted (AVE) as an assessment of the reliability and Validity construc were above 0.5.

Figure 1. Average Variance Extracted (AVE)
Assessment of Composite Reliability

Table 3. Composite Reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Support (X1)</td>
<td>0.719</td>
</tr>
<tr>
<td>Technology Competence (X2)</td>
<td>0.845</td>
</tr>
<tr>
<td>External Environment (X3)</td>
<td>0.829</td>
</tr>
<tr>
<td>E-Marketing (Z)</td>
<td>0.898</td>
</tr>
<tr>
<td>Business Performance (Y)</td>
<td>0.898</td>
</tr>
</tbody>
</table>

Composite Reliability assessment that related to measurement of outer model evaluation based on the results of processed data that all constructs have Composite Reliability values above 0.7 which indicated no reliability problems on the tested model.

Assessment of Structural Models (Inner Model)

Table 4. R Square for each Endogen variable

<table>
<thead>
<tr>
<th>Variables</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Support (X1)</td>
<td></td>
</tr>
<tr>
<td>Technology Competence (X2)</td>
<td></td>
</tr>
<tr>
<td>External Environment (X3)</td>
<td></td>
</tr>
<tr>
<td>E-Marketing (Z)</td>
<td>0.316</td>
</tr>
<tr>
<td>Business Performance (Y)</td>
<td>0.509</td>
</tr>
</tbody>
</table>

The above table shows the value of R Square of E-Marketing (Z) of 0.316 was concluded that the contribution of Support Organizations (X1), Competence Technology (X2), External Environment (X3) on E-Marketing (Z) of 32% and the rest influenced by other factors beyond the studied while R Square variable Business performance (Y) of 0.509 indicates that the contribution of Support Organizations (X1), Competence Technology (X2), External Environment (X3) and E-Marketing (Z) on the Business performance (Y) by 51% while the rest influenced by other factors outside the investigation.

Testing Structural Model

The model before reduction Convergent Validity as follows:
1. After reduction

Figure 2. The Model Before Reduction Convergent Validity and Bootstraps
Based on the table from the results of the estimated output for testing structural models that have a significant level with p <0.05.

a. Organizational Support (X1) has a direct effect on E-Marketing (Z), this is indicated by the p-value of 0.008 <0.05 from the results of processing the Path Coefficients data. Demonstrate that SMEs in Kendari City need internal encouragement from within the organization to have financial adequacy, be prepared to accept risks, and are committed to utilize e-marketing.
b. E-Marketing (Z) has a direct effect on Business Performance (Y), this is indicated by the p-value of 0.00 <0.05 from the results of processing the Path Coefficients data. That SMEs in Kendari City carry out marketing mix strategies (Products, prices, Promotions, Places) through On-Line communication (e-marketing) which includes providing and facilitating product information, providing pricing and discount information, promoting products and disseminating service communications, making it easier information on product access received and fast delivery process so as to improve the performance of SMEs businesses in the city of Kendari.

c. E-Marketing (Z) plays a role in mediating the effect of indirect organizational support on Business Performance (Y). This is indicated by the p-value of 0.013 < 0.05 based on the results of Total Indirect Effect data processing. Marketing has changed and improved in terms of sales volume, increased profits, number of customers so as to improve the performance of SMEs businesses in Kendari City.

d. Technology Competence and External Environment show that there is no direct or indirect influence through mediating E-Marketing variables on SMEs Business Performance in Kendari City. This shows that the technological competencies possessed by SMEs in Kendari City with technological supporting facilities and infrastructures are inadequate, the ability of Human Resources is less skilled, the provision of Information Technology, Provision of programs and support systems that are not sufficient to utilize e-marketing, has not been able to improve the performance of SMEs businesses in Kendari City. While the External Environment is the lack of encouragement/motivation from consumer/supplier demands, lack of assessment of changes in business development, lack of encouragement and government demands to spur SMEs in implementing e-marketing systems so they have not been able to improve SMEs business performance in Kendari City.

V. CONCLUSION

There are support for organizations implementing e-marketing system changes and increase in sales volumes, improved earnings, the number of customers so as to improve the business performance of SMEs in Kendari. This suggests that increasing the achievement of organizational support can create e-marketing systems. Competence of proprietary technology SMEs in Kendari with facilities and infrastructures supporting technology is not adequate, the ability of Human Resources (HR) is less skilled, Provision of Information Technology, Provision Program, and support systems are inadequate in the use of e-marketing, so it has not been able to improve the business performance of SMEs. The lack of business encouragement/motivation of the demands of consumers/suppliers, a lack of assessment of changes to business development, lack of encouragement and demands of government in promoting The SMEs in implementing e-marketing system that has not been able to improve the business performance of SMEs in Kendari. Future studies can be analyzed by assessing the role of product innovation and market orientation of the effectiveness of marketing. Small and Medium Enterprises are the development of the role of entrepreneurial orientation contained in the countryside so as to improve their business performance.
VI. REFERENCES


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