



The Effect of Market Orientation and Competitive Advantage on Retail Industry Marketing Performance with Trust as a Mediation Variable

Aan Wahyu Saputra*

Magister Management, University of Muhammadiyah Surakarta, Indonesia

Wiyadi

Magister Management, University of Muhammadiyah Surakarta, Indonesia

Moechammad Nasir

Magister Management, University of Muhammadiyah Surakarta, Indonesia

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Corresponding author:
awsaputra132@gmail.com

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Abstract

Purpose: This study aims to analyze the influence of market orientation and competitive advantage on marketing performance in the retail industry in the digital transformation era, with trust as a mediating variable. This study's novelty lies in exploring trust as an intervening variable, providing a deeper understanding of its role in improving marketing performance.

Method: This study uses a quantitative approach with Structural Equation Modeling analysis using SmartPLS 4 software. Primary data were collected from management and employees in the retail sector, with a conceptual framework linking market orientation, competitive advantage, trust, and marketing performance. The sample involved employees involved in retail operations, thus providing relevant insights into the industry dynamics.

Result: The results of the study indicate that market orientation and competitive advantage have a significant effect on marketing performance. In addition, both variables also have a significant effect on trust. Trust, in turn, has a significant positive effect on marketing performance. Trust also mediates the relationship between market orientation and marketing performance and between competitive advantage and marketing performance. This finding confirms the important role of trust as a mediating variable in strengthening the influence of market orientation and competitive advantage on marketing performance. Further research is recommended to explore other moderating or mediating variables, such as digital literacy or organizational culture. Expanding the study to different industries can also provide a broader perspective on market orientation, competitive advantage, and trust dynamics.

INTRODUCTION

In this digital era, adopting digital technologies helps companies grow and improve their efficiency. It also requires some strategies, adapting business models, and even shifting organizational

culture. As they navigate the digital transformation, retail companies must ensure that they uphold these values, especially transparency and ethical conduct, in all their dealings. One key aspect of successful business performance is understanding and responding to the needs of consumers ethically. Wiyadi et al. (2021) state that the way to improve marketing performance is to implement a market orientation strategy to satisfy its target market. Creating satisfaction in customers' hearts is very beneficial for loyalty growth (Nobmadella, 2021). Market orientation encompasses a set of beliefs that place customers in the spotlight to ensure the company's long-term profitability (Mansouri et al., 2022).

Yaskun et al. (2023) define market orientation as creating and satisfying customers by continuously assessing customer needs and desires. The indicators used to measure market orientation based on Naver & Slater quoted in (Wijaya, 2020) are 1) Customer orientation, 2) Competitor, and 3) Coordination between functions. Market orientation is pivotal in enhancing business performance, particularly through value creation. Pamoengkas (2020) examined this in the fertilizer industry in Indonesia, concluding that both market orientation and value creation significantly improve business performance. The novelty of that study lies in its focus on the retail industry, where market orientation's effectiveness is increasingly influenced by digital transformation. The current study builds on this by emphasizing the role of market orientation in retail marketing performance, especially during the digital age. Market orientation is done to create superior value for customers. An organization can obtain a competitive advantage by paying attention to superior customer value (Teneka & Hasin, 2022).

Additionally, having a competitive advantage, where businesses offer unique value to customers. Competitive advantage is widely recognized as a crucial factor for improving marketing performance. Porte in Noviyana & Sitorus (2023) also defines competitive advantage as the extent to which a company can gain a financial advantage over its competitors in the same market. The goal of competitive advantage is to position the company above its competitors (Ayu & Sulistyowati, 2021). Santoso (2023) supports the idea that a company has a competitive advantage if it does something better than its competitors. Several indicators can be utilized to measure the effectiveness of competitive advantage: price, quality, delivery, and flexibility. Maintaining a competitive advantage requires a multifaceted approach involving strategic positioning, innovation, cost efficiency, and superior customer service. The strategies outlined by scholars such as Syahreza et al. (2023) provide a comprehensive framework for companies to enhance their market position. In today's rapidly changing market, companies must continuously adapt their strategies and monitor their performance to maintain their competitive edge.

Moreover, trust is vital in moderating the relationship between market orientation, competitive advantage, and marketing performance. Trust is essential for building long-term customer relationships and ensuring brand loyalty. According to Ginting (in Halim et al., 2023), customer trust is a person's willingness to rely on a trusted partner. If the company provides a good impression and service to consumers, then a sense of trust will arise from customers. That is appropriate with Kotler & Keller (in Bernadus et al., 2021), who state that consumer trust is the willingness of consumers to bind themselves to a company or a business partner. Trust is a significant asset in increasing consumer participation in e-commerce, especially in retail. According to Mahsyar & Abidin (2020), there are five indicators to measure consumer trust: benevolence, reliability, competency, honesty, and openness. Soriton et al. (2022) examined how digital marketing, market orientation, and competitive advantage collectively impact marketing performance. The study emphasizes that in the digital age, trust is not only a product of high-quality service and competitive offerings but also a crucial factor in maintaining strong relationships with customers.

Similarly, in their study, Zuliasanti et al. (2020) found that consumer trust is a critical moderating variable in the relationship between market orientation, competitive advantage, and marketing performance. They highlighted that businesses that cultivate consumer trust can effectively leverage their competitive advantages, leading to enhanced marketing outcomes. This finding supports the

notion that consumer trust amplifies the effects of competitive advantage on marketing performance, creating a more robust and sustainable business strategy. Performance is essential to measure the results obtained from company operations. Ferdinand (in Soriton et al., 2022) defines marketing performance as a factor used to measure the impact of a company's strategy as a product market performance, where every company is interested in knowing the market performance of its products. Arifin (2021) also defines marketing performance as measuring the level of performance, including sales capacity, number of consumers, sales profit, and sales increase.

Previous researchers such as (Firdaus & Jatmiko, 2021; Susanto & Soesanto, 2021; Sudarman & Lailla, 2023; and Noviyana & Sitorus, 2023) explain that marketing performance can be seen from various aspects, such as sales turnover, number of customers, sales profitability, and growth. The indicators in this study are quoted from O'Sullivan (in Rosmayani, 2022): financial aspects, competitive market, consumer behavior, consumer views and perceptions, direct customers in trade channels, and innovation. Therefore, this study aims to explore how market orientation and competitive advantage influence the marketing performance of retail businesses in the digital era, with trust acting as a mediation factor. The novelty of this research lies in exploring trust as a mediating variable and providing a further understanding of consent in improving marketing performance. By looking at these relationships through the lens of Islamic economic principles, the research seeks to provide valuable insights into how businesses can integrate ethical values into their strategies to succeed in a rapidly changing market. The following are the research hypotheses.

H1: Market orientation has a significant effect on consumer trust.

H2: Competitive advantage has a significant effect on consumer trust.

H3: Consumer trust has a significant effect on the marketing performance of the retail industry.

H4: Market orientation has a significant effect on the marketing performance of the retail industry.

H5: Competitive advantage has a significant effect on the marketing performance of the retail industry.

H6: Market orientation has a significant effect on the marketing performance of the retail industry mediated by consumer trust.

H7: Competitive advantage has a significant effect on the marketing performance of the retail industry mediated by consumer trust.

The research model based on the research hypotheses above can be seen in Figure 1 below.

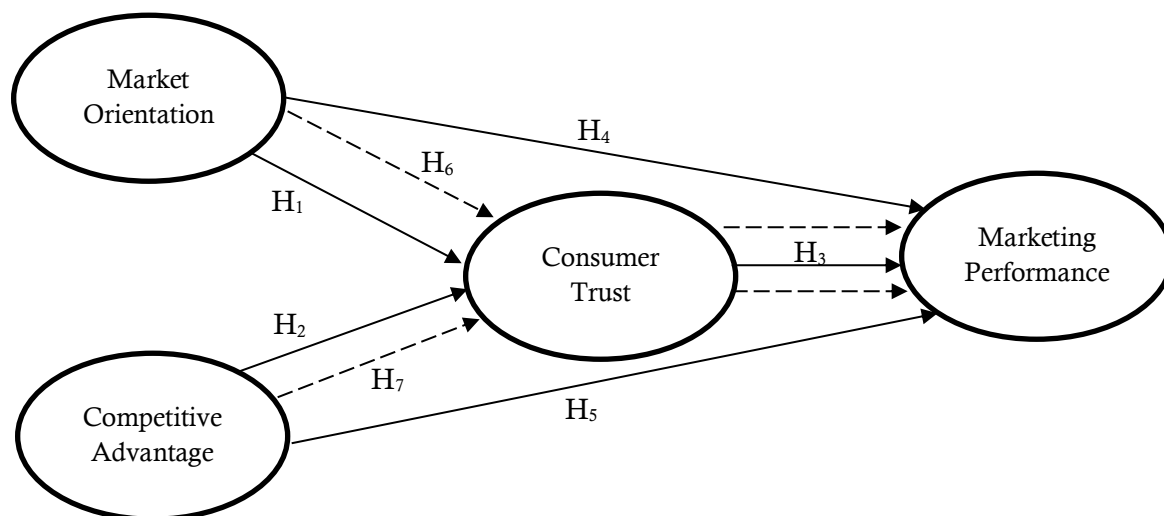


Figure 1.
Research Model

RESEARCH METHODS

This research employs a quantitative approach with an explanatory design to examine the relationships between the studied variables. This study aims to explain the influence of independent variables (market orientation, competitive advantage) on the dependent variable (marketing performance), with trust as a moderating variable. This study focuses on employees at Assalam Hypermarket, Sukoharjo, as the target population. The research context is set within the retail industry, particularly in a hypermarket environment, to examine factors influencing marketing performance. The units of analysis are the individual employees who contribute to the company's marketing strategies and customer interactions. The sample was selected using purposive sampling based on the following criteria: respondents must be employees aged 17–54, in good physical health, and actively involved in marketing activities. According to the Slovin formula, the required sample size was calculated to be 172 respondents. To exceed the minimum limit, researchers increased the number of samples by 28, so the total sample was 200 respondents.

Data were collected using a structured questionnaire designed to measure the key variables in the study. The questionnaire was distributed to the selected respondents through an online platform and in-person surveys. The questions in the survey were carefully constructed to assess market orientation, competitive advantage, marketing performance, and consumer trust. Each variable was measured using a 5-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." Data were analyzed using the Structural Equation Modeling (SEM) method with SmartPLS software. According to (Hair et al., 2021), The analysis stages in this research also involve measuring the model (outer model) to the model structure (inner model). There are several main steps in SEM data analysis using Smart PLS: Testing the validity and reliability of questionnaire data, forming a structural model, and testing the goodness of fit model.

RESULTS & DISCUSSION

This research involved 200 respondents. From the questionnaire results, it can be concluded that the most dominant respondents were staff, namely 115 respondents or 58%. Meanwhile, the most dominant respondents were women, as many as 109 or 55%. Meanwhile, male respondents were only 46% or 91 employees. The most dominant age of respondents is 25-34 years old, and as many as 37% or 74 employees. Information on the results of descriptive statistical analysis can be seen in table 1.

Table 1.
The Result of Descriptive Statistic

| Variable | Max | Min | Mean | N |
|----------------------------|-------|-------|-------|-----|
| Market Orientation (X1) | 4,050 | 3,755 | 3,959 | 200 |
| Competitive Advantage (X2) | 4,045 | 3,880 | 3,953 | 200 |
| Marketing Performance (Y) | 4,050 | 3,920 | 3,982 | 200 |
| Consumer Trust (Z) | 4,190 | 3,825 | 4,039 | 200 |

According to Chin (in Yudhi, 2021), the Measurement of research variables can be done using the range criteria calculated using the formula $[(5-1)/3]=1.3$. Thus, the research result scores are categorized into three levels: low for scores in the range of 1.00 to 2.33, medium for scores in the range of 2.34 to 3.66, and high for scores in the range of 3.67 to 5.00. Thus, the researcher concluded that the highest average value of the variable compared to other variables was consumer trust (Z), which had an average of 4.039, which was included in the high category. Furthermore, marketing performance (Y) is in second place with an average of 3.982, also included in the high category. Followed by market orientation (X1) with an average of 3.959 and competitive advantage (X2) with an average of 3.953, both of which are also included in the high category. The results of external testing can also be seen in Figure 2.

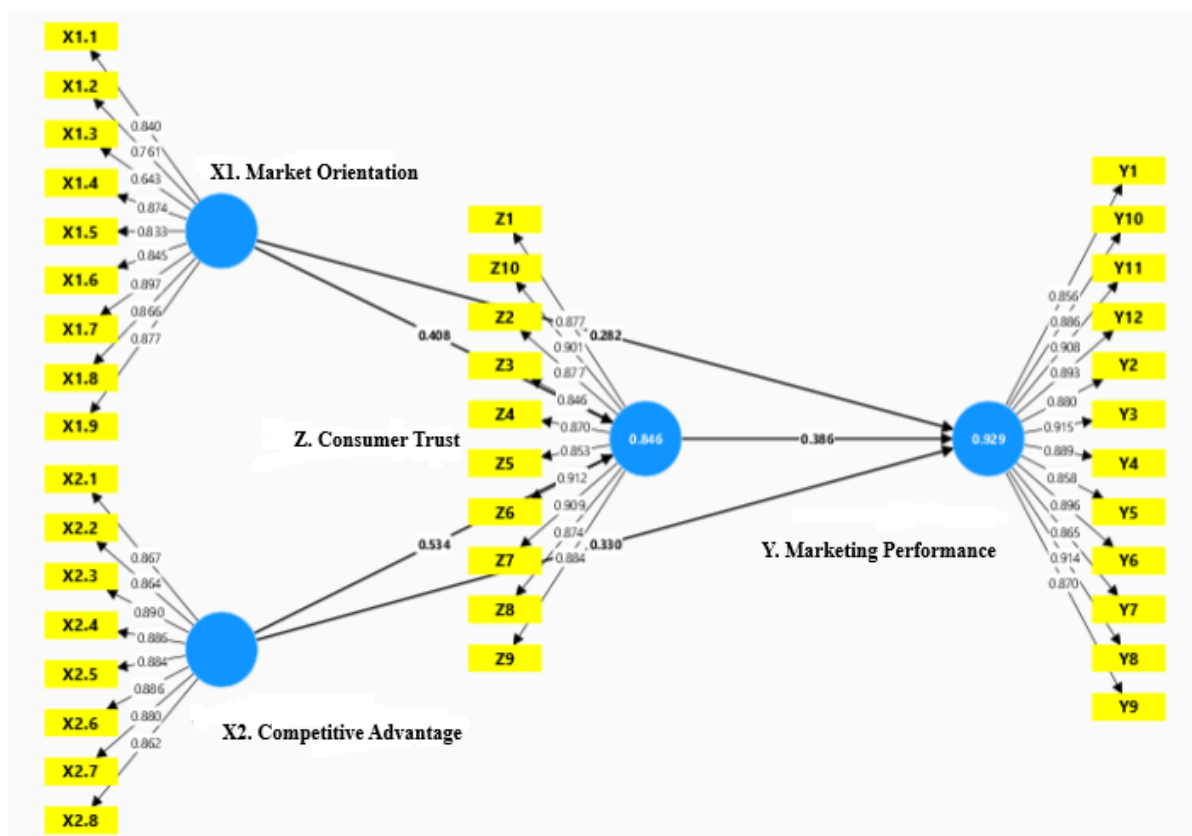


Figure 2.
Outer Model

Data quality testing involves the application of the outer model, which consists of validity and reliability tests. Meanwhile, the validity test consists of two stages, namely convergent validity and discriminant validity. The convergent validity test can be seen from the results of the average variance extracted test that was carried out; the results of this test are described in Table 2.

Table 2.
The Result of Convergent Validity

| Variable | Average Variance Extracted (AVE) |
|----------------------------|----------------------------------|
| Market Orientation (X1) | 0,728 |
| Competitive Advantage (X2) | 0,770 |
| Marketing Performance (Y) | 0,785 |
| Consumer Trust (Z) | 0,775 |

Based on the data contained in Table 2, it can be concluded that each variable in this study has an AVE (Average Variance Extracted) value that exceeds 0.5 (Hair et al., 2021). Specifically, the Marketing Performance Variable reaches a value of 0.785; the Consumer Trust Variable shows a value of 0.775; the Competitive Advantage variable reaches a value of 0.770; and the Market Orientation Variable reaches a value of 0.728. Therefore, these results show that each research variable has met the convergent validity criteria. Thus, discriminant validity results can be seen from the loading factor value.

Table 3.
The Result of Cross-Loading

| | Market Orientation (X1) | Competitive Advantage (X2) | Marketing Performance (Y) | Consumer Trust (Z) |
|------|-------------------------|----------------------------|---------------------------|--------------------|
| X1.1 | 0,833 | 0,754 | 0,789 | 0,746 |
| X1.2 | 0,753 | 0,678 | 0,705 | 0,696 |
| X1.4 | 0,882 | 0,809 | 0,821 | 0,802 |
| X1.5 | 0,842 | 0,781 | 0,761 | 0,727 |
| X1.6 | 0,849 | 0,735 | 0,756 | 0,744 |
| X1.7 | 0,903 | 0,822 | 0,836 | 0,803 |
| X1.8 | 0,874 | 0,799 | 0,800 | 0,757 |
| X1.9 | 0,881 | 0,801 | 0,810 | 0,778 |
| X2.1 | 0,790 | 0,867 | 0,808 | 0,800 |
| X2.2 | 0,761 | 0,864 | 0,785 | 0,770 |
| X2.3 | 0,832 | 0,890 | 0,846 | 0,828 |
| X2.4 | 0,794 | 0,886 | 0,847 | 0,820 |
| X2.5 | 0,784 | 0,884 | 0,818 | 0,811 |
| X2.6 | 0,817 | 0,886 | 0,838 | 0,815 |
| X2.7 | 0,781 | 0,880 | 0,798 | 0,744 |
| X2.8 | 0,807 | 0,862 | 0,811 | 0,749 |
| Y1 | 0,794 | 0,792 | 0,856 | 0,784 |
| Y2 | 0,827 | 0,834 | 0,880 | 0,824 |
| Y3 | 0,845 | 0,885 | 0,915 | 0,866 |
| Y4 | 0,817 | 0,847 | 0,889 | 0,823 |
| Y5 | 0,795 | 0,821 | 0,858 | 0,805 |
| Y6 | 0,832 | 0,827 | 0,896 | 0,870 |
| Y7 | 0,775 | 0,768 | 0,865 | 0,824 |
| Y8 | 0,833 | 0,840 | 0,914 | 0,854 |
| Y9 | 0,796 | 0,785 | 0,870 | 0,776 |
| Y10 | 0,793 | 0,807 | 0,886 | 0,823 |
| Y11 | 0,853 | 0,878 | 0,908 | 0,854 |
| Y12 | 0,832 | 0,834 | 0,893 | 0,832 |
| Z1 | 0,766 | 0,754 | 0,811 | 0,877 |
| Z2 | 0,767 | 0,780 | 0,821 | 0,877 |
| Z3 | 0,766 | 0,794 | 0,800 | 0,846 |
| Z4 | 0,766 | 0,772 | 0,826 | 0,870 |
| Z5 | 0,740 | 0,757 | 0,764 | 0,853 |
| Z6 | 0,809 | 0,850 | 0,870 | 0,912 |
| Z7 | 0,793 | 0,812 | 0,842 | 0,909 |
| Z8 | 0,796 | 0,798 | 0,815 | 0,874 |
| Z9 | 0,797 | 0,801 | 0,812 | 0,884 |

Thus, discriminant validity results can be seen from the factor loading values. Based on the factor loading test results, an indicator is valid if it has an outer loading value of 0.7 or more (Hair et al., 2021). In the initial test, two indicators had values below the threshold, namely indicator X1.2 with a value of 0.678 and X1.3 with a value of 0.535, so both were eliminated. After elimination, retesting was carried out, and the results showed that all remaining indicators had values above 0.7 (0.718-0.866). Thus, all variables in this study meet discriminant validity standards and can be used for further analysis.

Based on the table 3, the loading value of each indicator against its construct (X1, X2, Y, and Z) is greater than the cross-loading value against other constructs. Thus, the discriminant validity of all constructs has been achieved, and the indicators in each construct block show better performance than

other blocks without any issues related to discriminant validity. The next test is the reliability test, which can be seen from Cronbach's alpha test results and composite reliability calculation.

Table 4.
The Result of Cross-Loading

| Variable | Cronbach's Alpha | Composite Reliability (Rho_a) | Composite Reliability (Rho_c) |
|----------------------------|------------------|----------------------------------|----------------------------------|
| Market Orientation (X1) | 0,946 | 0,948 | 0,955 |
| Competitive Advantage (X2) | 0,957 | 0,958 | 0,964 |
| Marketing Performance (Y) | 0,975 | 0,975 | 0,978 |
| Consumer Trust (Z) | 0,968 | 0,968 | 0,972 |

The data is reliable if it is ≥ 0.70 (Hair et al., 2021). Based on Table 4, all variables show Composite Reliability values above 0.7. This result can be seen from the Rho_a or Rho_c model values. The Market Orientation variable has a Composite Reliability value of 0.948, Competitive Advantage reaches a value of 0.958, the Marketing Performance variable has a value of 0.975, and Consumer Trust is 0.968. Therefore, it can be concluded that all variables in this study meet composite reliability standards, indicating that each variable's value has an excellent reliability level.

The results of the inner model analysis show that the research model has an excellent level of goodness of fit. This result can be seen from the R-square results in Table 5.

Table 5.
R-Square (R²)

| Variable | R-square | R-square adjusted |
|---------------------------|----------|-------------------|
| Marketing Performance (Y) | 0,929 | 0,928 |
| Consumer Trust (Z) | 0,846 | 0,845 |

Based on the R-Square (R²) value, it can be concluded that the marketing performance variable (Y) has a contribution of 0.929 or 92.8%. Meanwhile, the remaining 7.1% is influenced by other factors outside the model. Then, the variables market orientation (X1) and competitive advantage (X2) contribute 0.846 or 84.5% to the variable (Y) Marketing Performance, while 15.4% is influenced by other factors that are not the focus of this research. Thus, it can be concluded that the R-Square value for marketing performance (Y) dominates. This result shows that the independent variable is more significant in explaining variations in marketing performance. Then, the results of the Effect Size (F2) calculation are described in table 6.

Table 6.
F-Square/ Effect Size (F²)

| Variable | Market Orientation (X1) | Competitive Advantage (X2) | Marketing Performance (Y) | Consumer Trust (Z) |
|----------------------------|----------------------------|-------------------------------|------------------------------|-----------------------|
| Market Orientation (X1) | | | 0,169 | 0,195 |
| Competitive Advantage (X2) | | | 0,208 | 0,334 |
| Marketing Performance (Y) | | | | |
| Consumer Trust (Z) | | | 0,324 | |

The results of the F-Square test in Table 6 show that the competitive advantage variable (X2) has a more dominant influence than market orientation (X1) on consumer trust (Z) and marketing performance (Y), especially with the highest f2 value (0.334) on consumer trust. In addition, the consumer trust variable (Z) shows an almost considerable influence (0.324) on marketing performance. These results show competitive advantage and consumer trust as keys to marketing

success. Strategies that focus on strengthening competitive advantage and building trust will significantly impact marketing performance.

The predictive relevance shows the results of the Q-Square/Predictive Relevance value of the dependent variable, namely marketing performance, with a Q² value (0.902). This value means that the model has very high predictive relevance or that this variable has good observational quality. Then, the RMSE value of 0.322 and MAE of 0.229 shows that the level of prediction error for the Marketing Performance (Y) variable is relatively small, indicating that the model is quite accurate in predicting this variable.

This stage tests the relationship between constructs as seen from the significance value and effect size (p-value or t-statistics from bootstrapping). If the p-value < 0.05, there is a direct or indirect impact. Then, from the t-statistic value, the relationship between variables is considered significant if the T-statistic value is > 1.96 (significance level = 5%). The results of the bootstrapping test using SmartPLS produced output coefficient values, which can be seen in Table 7.

Table 7.
The Result of Direct Hypothesis Test

| Hypothesis | Original Sample (O) | T Statistics (O/STDEV) | P Values | Result |
|---|---------------------|--------------------------|----------|-------------|
| H1 (Market orientation -> consumer trust) | 0,282 | 4,272 | 0,000 | Significant |
| H2 (Competitive advantage -> consumer trust) | 0,408 | 4,925 | 0,000 | Significant |
| H3 (Consumer trust -> marketing performance) | 0,330 | 4,906 | 0,000 | Significant |
| H4 (Market orientation -> marketing performance) | 0,534 | 6,374 | 0,000 | Significant |
| H5 (Competitive advantage -> marketing performance) | 0,386 | 5,744 | 0,000 | Significant |

Based on the direct hypothesis test results above, all direct relationships proposed in this study are statistically significant. For H1, the relationship between Market Orientation (X1) and Trust (Z), there is an original sample value of 0.282, T-statistics 4.272 (> 1.96), and P-value 0.000 (< 0.05), indicating a significant and positive influence. Therefore, it can be concluded that H1 has been accepted. For H2, Competitive Advantage (X2) on Trust (Z) with original sample value 0.408, T-statistics 4.925 (> 1.96), and P-value 0.000 (< 0.05). This result shows a significant and positive influence. Therefore, it can be concluded that H2 has been accepted. For H3, Trust (Z) in Marketing Performance (Y) with original sample value 0.330, T-statistics 4.906 (> 1.96), and P-value 0.000 (< 0.05). Shows significant and positive influence. Therefore, it can be concluded that H3 has been accepted. For H4, the relationship between Market Orientation (X1) and Marketing Performance (Y) with original sample value 0.534, T-statistics 6.374 (> 1.96), and P-value 0.000 (< 0.05). Shows significant and positive influence. Therefore, it can be concluded that H4 has been accepted. And, For H5, The relationship between Competitive Advantage (X2) and Marketing Performance (Y) with the original sample value of 0.386, T-statistics 5.744 (> 1.96), and P-value 0.000 (< 0.05). Shows significant and positive influence. Therefore, it can be concluded that H5 has been accepted. Furthermore, the mediation hypothesis test results can be seen in Table 8.

Table 8.
The Result of Mediation Hypothesis Test

| Hypothesis | Original Sample (O) | T Statistics (O/STDEV) | P Values | Result |
|---|---------------------|--------------------------|----------|-------------|
| H6 (Market orientation -> consumer trust -> marketing performance) | 0,157 | 3,812 | 0,001 | Significant |
| H7 (Competitive advantage -> consumer trust -> marketing performance) | 0,206 | 4,166 | 0,000 | Significant |

The results of the mediation hypothesis, for H6, mediation relationship between Market Orientation (X1) on Marketing Performance (Y) through Trust (Z) with original sample value 0.157, T-statistics 3.812 (> 1.96), and P-value 0.001 (< 0.05). Shows a significant and positive influence. Therefore, it can be concluded that H6 is accepted. For H7, the mediation relationship between Competitive Advantage (X2) on Marketing Performance (Y) through Trust (Z) with an original sample value of 0.206, T-statistics 4.166 (> 1.96), and P-value 0.000 (< 0.05). Shows a significant and positive influence. Therefore, it can be concluded that H7 is accepted. Thus, market orientation, competitive advantage, and trust directly and indirectly influence marketing performance.

This study's testing and analysis results are described in depth to provide a clearer understanding of the influence and relationship between the variables studied.

Market orientation, according to Pamoengkas (2020), focuses on understanding consumer needs and wants and responding to those needs in a way that provides superior value on a sustainable basis. This result will strengthen H1, showing a significant relationship between market orientation and consumer trust. Respondent characteristics such as age, education, and shopping experience indicate that most respondents (40%) fall within the productive age group (25–34 years). This demographic has the potential to leverage technology to understand market trends and conduct market research. They are generally more familiar with market dynamics, more adaptable to the latest technologies, and better acquainted with consumer preferences and needs. This result is supported by questionnaire responses, which show that most respondents strongly agree that the company consistently focuses on understanding the needs and preferences of target customers to create greater value for them, thereby enhancing customer trust. Loyal consumers are more likely to trust the company and act as an effective and efficient promotional medium by sharing their experiences and recommending the company to potential buyers. Therefore, it can be concluded that good market orientation, supported by a deep understanding of customer needs, can increase consumer trust in the company. This result aligns with Wiyadi et al. (2021), who stated that market orientation assesses market needs and desires to fulfill and satisfy consumer needs. Additionally, Nasir et al. (2020) emphasized the importance of loyal consumers for a company's survival.

In hypothesis H2, competitive advantage has a significant influence on consumer trust. Thus, companies that offer high-quality value while maintaining high ethical standards can strengthen consumer trust. Thus, it will improve their marketing performance. Findings reveal that most respondents are within the productive age range (25–34 years), with higher expectations regarding product or service quality. Respondents are more familiar with technological developments, product innovation, and efficient customer service, enhancing the company's competitive advantage. Questionnaire results indicate the highest mean on the statement that the company always ensures that the quality of its products or services is better than that of competitors to meet customer needs and expectations. Respondents strongly agree that product or service quality is crucial in strengthening competitive advantage and enhancing consumer trust. That finding aligns with Santoso (2023) that a company has a competitive advantage if it does something better than its competitors. Competitive advantage involves offering superior products or services compared to competitors in terms of quality, price, innovation, or customer service. This result supports Noviyana and Sitorus (2023), who found

that consumers tend to trust companies with clear competitive advantages, as they provide better value or solutions than competitors. This result is appropriate based on findings from Firdaus and Jatmiko (2021), who noted that consumer trust fosters competitive advantage, forming a foundation for business success.

In hypothesis H3, consumer trust has a significant influence on marketing performance. Consumer trust results from positive feelings toward a product or service. This result aligns with Alfatiyah et al. (2023), who stated that trust significantly influences purchasing decisions and behavior. Hardhianti and Sholahuddin (2024) further emphasized that trust involves confidence in another's intentions and actions. Questionnaire data reveal that respondents strongly agree that the company's efforts to meet their needs strengthen the relationship between trust and marketing performance. Reliable technology and systems also enhance this relationship. Sudirjo et al. (2024) argued that consumers trust platforms offering strong data protection, driving loyalty and repeat purchases. Satisfied and trusting consumers are more likely to make repeat purchases and recommend the company, improving overall marketing performance. This result aligns with (Cardoso et al., 2022; and Alhumud et al., 2024), who highlighted trust's positive impact on customer engagement and marketing performance.

Research findings indicate that Market Orientation (X1) positively and significantly affects Marketing Performance (Y). Most respondents, aged 24–34, understand market dynamics and can identify market needs and trends. Questionnaire results also show strong agreement among respondents that the company innovates by launching new products or services relevant to market needs, reflecting strong market orientation. This result positively contributes to marketing performance, evidenced by consistent annual sales volume and revenue growth. According to Hermawan and Wardoyo (2024), company performance reflects the success of business activities. Strong market orientation drives innovation, enabling companies to launch relevant products or services, a key factor in boosting marketing performance. These findings align with (Wiyadi et al., 2021; Yaskun et al., 2023; Wijaya, 2020; Wiyadi et al., 2021), who reported a positive and significant impact of market orientation on marketing performance. The managerial implication of these findings is to strengthen the Market Orientation Strategy. Company managers must be more active in understanding and responding to customer needs and market trends. This can be done by conducting regular market research, building closer customer communication, and developing products and services that align with market demand.

The study demonstrates a positive and significant impact of Competitive Advantage on Marketing Performance in the retail industry. Competitive advantage includes utilizing internal and external strengths to outperform competitors in an increasingly competitive market. One critical factor in achieving competitive advantage is the company's ability to respond to market changes quickly and effectively. This supports Syahreza et al. (2023), who emphasized adapting swiftly to market, technological, or industrial trends. Respondents strongly agree that companies responding quickly to market changes and continuously innovating to offer trend-aligned products demonstrate high adaptability, sustaining competitive advantage amid tight competition. The competitive advantage achieved through product innovation and effective promotion directly improves marketing performance, measured by sales volume, market expansion, and revenue growth. These findings align with Timotheou et al. (2023), who highlighted the significance of competitive advantage in enhancing marketing performance. The managerial implication of these findings is that companies need to strengthen their competitive advantage with product differentiation, service innovation, and operational efficiency. Strategies such as improving product quality, using the latest technology, and superior customer service can increase a company's competitiveness in the industry.

The study reveals that Market Orientation positively and significantly impacts Marketing Performance in the retail industry when mediated by Consumer Trust. A strong market orientation, characterized by understanding customer needs, monitoring market changes, and responding to competitors, enhances consumer trust. This aligns with Narver and Slater (in Pamoengkas, 2020),

who stated that market orientation is a strategic approach that enables companies to understand and respond to market needs effectively. As a mediator, consumer trust strengthens this relationship, consistent with Alhumud et al. (2024), who emphasized trust's role in building long-term customer relationships and improving business performance. These findings are supported by (Setyawan et al., 2022; and Wijaya, 2020), who found that market orientation enhances consumer trust, positively impacting marketing performance through customer loyalty.

The study finds that Competitive Advantage positively and significantly influences Marketing Performance in the retail industry when mediated by Consumer Trust. Competitive advantage is achieved through product innovation, service differentiation, and cost efficiency. Consumer trust plays a critical mediating role, strengthening the relationship between competitive advantage and marketing performance by fostering customer loyalty, satisfaction, and brand preference. This result supports Syahreza et al. (2023), who suggested strategies like product preference analysis and superior service to build customer loyalty and trust. Trust also mediates the link between competitive advantage and marketing performance, as highlighted by Sudirjo et al. (2024), who noted that data security and privacy are key in building consumer trust, driving loyalty, and repeat purchases. Marketing performance reflects the success of company strategies in achieving business objectives. Combining competitive advantage with consumer trust enables companies to enhance service quality, marketing techniques, and product value, improving marketing performance. These findings align with (Firdaus & Jatmiko, 2021; Susanto & Soesanto, 2021; Sudarman & Lailla, 2023; and Noviyana & Sitorus, 2023), who explain that marketing performance can be seen from various aspects, such as sales turnover, number of customers, sales profitability, and growth. Thus, this study confirms that companies must maintain ethical values in every business interaction when facing digital transformation. The managerial implication of these findings is to optimize the role of trust as a mediator. Companies must ensure that every strategy implemented can increase customer trust. This can be achieved by building a good reputation, maintaining customer satisfaction, and demonstrating commitment to ethical business values.

CONCLUSION

Based on the findings of this study, it can be concluded that market orientation and competitive advantage significantly influence marketing performance and consumer trust, both directly and indirectly. Consumer trust is a mediator that strengthens the relationship between market orientation, competitive advantage, and marketing performance. The variables tested, namely market orientation, competitive advantage, consumer trust, and marketing performance, all have average values in the high category, indicating that these factors are important in improving marketing performance. This study makes a significant contribution to the development of management theory, especially in understanding how market orientation and competitive advantage can affect marketing performance through consumer trust, as well as providing insight for companies in designing more effective marketing strategies in the digital transformation era.

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