
IMPACT OF MARKET ORIENTATION AND ENTREPRENEURIAL ORIENTATION ON HOTEL PERFORMANCE WITH MEDIATING INNOVATION

Lily Purwianti^a, Farida Jasfar^b, Robert Kristaung^c

^a Faculty of Economics, Universitas Internasional Batam, Batam, Indonesia.

^b Faculty of Economics and Business, Universitas Trisakti, Jakarta, Indonesia.

^c Faculty of Economics and Business, Universitas Trisakti, Jakarta, Indonesia.

Abstract

The objective of the research is to analyze the effect of entrepreneurial orientation, market orientation on the performance of Non-Star Hotels with innovation as a mediating variable. The data analysis method used in this study is Partial Least Square Structural Equation Modeling (PLS-SEM) with the help of the Smart PLS Version 3 program. The sample of this research is the manager and director of non-star hotels in the Riau Islands, Indonesia. The results of this research are influence between entrepreneurial orientation, market orientation towards innovation and innovation affecting hotel performance. Other results are market orientation and entrepreneurial orientation influencing hotel performance with innovation as a mediating variable. This research can contribute to non-star hotel managers can implement customer orientation and competitor orientation.

Keywords: Entrepreneurship Orientation, Market Orientation, Innovation, Hotel Performance.

1. INTRODUCTION

With the establishment of tourism as a leading sector in Indonesia, Indonesia ranks 9th in world tourism. Increasing the number of tourists needs to be balanced with an increase in the provision of accommodation rooms. Tourists visiting tourist areas need a place to stay. Accommodation is a highly important factor for visitors which expect comfort, good service, cleanliness and more. Therefore the hotel acts as an indicator to find out how many tourists visit the area of tourist attraction. The development of the hotel industry can be seen through the indicator of hotel room occupancy rate (number of rooms sold/used). Hotel room occupancy rates also play an important role as a notice of the success of hotels in selling their rooms. The higher the occupancy rate, the more rooms sold means more taxes are paid to the regions (BPS, 2018). With so many tourists coming to the Riau Islands, the hotel industry has good prospects. According to Richard & Petriella (2018) that tourist spending in Indonesia is divided into 40% used for accommodation, 40% is used for transportation, and 20% is used for eating, traveling and buying souvenirs. With the increasing need for tourists who want to reduce the cost of tourism in terms of transportation and accommodation to make tourists shift to stay in non-star hotels so competition between star hotels and non-star hotels increases.

Competition in hospitality is increasingly complex with the entry of Airbnb. Airbnb stands for Air Bed and Breakfast, has a business model such as Uber, acts as a broker for homeowners, apartments, or other places to stay for rent to consumers in need. The Airbnb application is a mobile application for renting apartments, private rooms or homes as accommodation units

considered threatening the national hotel industry. (Dewanto & Rina, 2017; Marjudin, 2017). Airbnb poses a threat to 1-star and non-star hotels so as to reduce room occupancy rates despite increased tourist visits (Richard & Petriella, 2018). The presence of Airbnb as an innovation in the field of technology allows for more efficient economic sharing, some feel disturbed because of the loss of their existence. Many industries are affected by the presence of this application-based technology innovation. Once in the transportation sector, now the hotel sector is affected by technological innovation. The hotel sector began to lose occupancy (Dewanto & Rina, 2017; Mudasir & Fokoddam, 2018). The decrease in room occupancy rates began to be felt since the presence of Airbnb, which made apartments for rent like hotels (Idris, 2017).

Facing the demands of environmental change and technological advancements, non-star hotels need to improve the company's strategy. A competitive and dynamic business environment is needed for successful businesses to re-create on an ongoing basis to obtain or maintain superior performance and competitive advantage (Azim, Abdullah & Gorondutse, 2017). Responding to these demands, hoteliers must make continuous improvements by making some major strategic alignments, one of which is by applying market orientation. Market orientation (MO) if used properly can help hotels to achieve superior organizational performance and have a competitive advantage (Jassmy & Bhaya, 2016).

In addition to using market orientation, companies can use entrepreneurial orientation (EO) to achieve sustainable competitive advantage in an ever-changing business environment (Sirivanh, Sukkabot, & Sateeraroj, 2014). Innovation is considered the best way to compete because it encourages organizational growth including is an engine that allows organizations to maintain their survival. The challenges faced by organizations make companies embrace innovation as part of the company's strategy. Therefore, innovation must be done thoroughly as an essential driver of competitiveness and profitability. Different challenges covered with organizations force to embrace innovation as part of the company's strategy. Consequently, innovation must be done well as an important driver of competitiveness, productivity, and profitability (Obeidat, 2016). Previous studies have shown that the influence within entrepreneurial orientation (EO), market orientation (MO) also performance has been widely studied including the results are that market orientation (MO) impacts performance. Nevertheless, relatively rare studies discuss the effects of entrepreneurial orientation (EO), market orientation, and performance within the hotel industry, especially non-star hotels. Most studies examine manufacturing and service companies (Kharabsheh, Ensour, & Bogolybov, 2017; Ozcomert, Erdil, Kitapci, & Alpkan, 2018; Pratono, Darmasetiawan, Yudianto, & Jeong, 2019); SME's (Hughes, Hodgkinson, Hughes, & Arshad, 2017; Hilarious, Carsrud, & Oflazoglu, 2017; Noraindah & Rohaizat, 2016). This study analyzes whether there is an influence of market orientation (MO) and entrepreneurial orientation (EO) on hotel performance with innovation as mediation.

2. Literature Review and Hypothesis

2.1 Hotel Performance

The success of an organization is very dependent on the company's performance related to its ability to implement strategies effectively to achieve organizational goals. (Hani Al-Dmour et al., 2015). Several researchers have defined diverse definitions for firm performance, because firm

performance is a very broad concept and changes in meaning according to the perspectives and needs of users (Moh'd T. Masa'deh, Yousef Obeidat, Shawqi Zyod, & Hamdi Gharaibed, 2015). Organizational performance indicates the direction an organization necessitates improvement of tangible also intangible sources to obtain the goals and peaks of the organization's work processes and activities. According to Cho & Dansereau (2010), organizational performance is defined concerning the goals and objectives of the organization. Tomal (2015) mentions organizational performance as the actual result of an organization that is measured against the intended output of that organization. Because organizational performance is a multidimensional concept, it seeks to measure the achievements of the company's proposed goals for different stakeholders in a given period (Richard, Devinney, Yip, & Johnson, 2009).

2.2 Market Orientation (MO)

Market orientation has a focus on customers and competitors, so they can increase their knowledge, produce action and drive innovation. In a study conducted by Moghaddam, Imani, Erteza, & Setayeshi (2013) shows a positive relationship between market orientation and performance. As a result, companies need to improve their performance through market orientation activities. Innovation can be seen as the extent to which an organization generates, receives and implements new ideas, processes, products, or services. Organizations innovate because of pressure from the external environment, such as competition, deregulation, isomorphism, scarcity of resources, and customer demand due to internal organizational choices, such as gaining special competencies, achieving higher levels of aspiration, and increasing service levels and quality (Mahmoud, Balnkson, Owusu-Frimpong, Nwankwo, & Trang, 2015). The results of studies that state that market orientation influences innovation are Agarwal, Krishna Erramilli, & Dev, 2003; Johnson, Dibrell, & Hansen, 2009; Obeidat, (2016)

From the description above, the research hypothesis is

H1 = Market Orientation influences Innovation

2.3 Entrepreneurial Orientation (EO)

Entrepreneurial orientation (EO) as a strategic orientation correlates to the entrepreneurial perspectives of the company's strategy, this defines the company's enthusiasm to stay leading of its competitors and catch advantage of new opportunities to fasten in innovation into an uncertain situation (H. L. Chen & Hsu, 2013). Some research results state that entrepreneurial orientation influences innovation such as the results of research from Dave, 2011; Kocak et al., 2017; Tajeddini, 2010; Zhou et al., (2005)

Research hypothesis based on the information above is

H2 = entrepreneurial orientation influences innovation

2.4 Innovation

Several studies such as Kim, Basu, Naidu, & Cavusgil (2011); Rhee, Park, & Lee, (2010); Tajeddini, (2010) mentions innovation as the main key and important element for organizational growth and performance and knowledge. as an element that cannot be separated from organizational performance, the cause of agreeing this factor in this research is that innovation becomes a different element in the market and it is a factor that distinguishes small and medium-

sized companies. Moghaddam et al., (2013) said that innovation influences financial performance, namely the volume of sales or sales growth, profitability and return on investment. Previous researchers have examined the relationship between innovation and business performance and found significant positive relationships (Bucktowar et al., 2015; Dave, 2011; Kocak et al., 2017; Lisbon, Skarmeas, & Lages, 2011a, 2011b; Muhammad Saqib, Masoodul , & Sadia, 2014; Nawab, Nazir, Zahid, & Fawad, 2015; Obeidat, 2016; Pett & Wolff, 2011; Prayitno, Wahyudi, Faculty, & Farida, 2017; Saunila, Pekkola, & Ukko, 2014; Serna & Martínez , 2016; Tajeddini, 2010; Torre & Solari, 2011; Zhou et al., 2005)

Based on the explanation above, the research hypothesis is
H3 = Innovation affects the hotel performance.

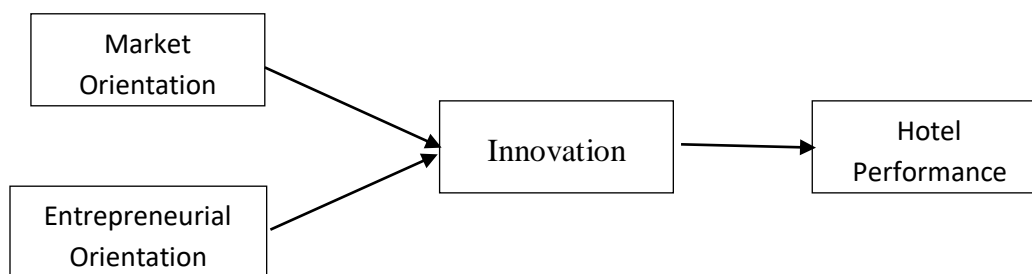


Figure1. Conceptual Framework

3. Research Methodology

This study adapted research items from past studies. For market orientation, the instrument of research population is non-star hotels in Riau Islands. The sample of this study is the Non-Star Hotel in Batam, Riau Islands. The sample method in this study is to use a non-probability sample that is that each population element does not have the same opportunity to be sampled. The method of determining the sample using a purposive sample that is collecting samples based on certain criteria in accordance with the objectives of the study. (Hair, Celsi, Money, Samouel, & Page, 2015). The respondents of this study were the Director of Non-Star Hotels and Non-Star Hotel Managers. This research questionnaire was adopted from previous studies. Market orientation uses 10 items adopted from Hilman & Kaliappen (2014), Entrepreneurial Orientation uses 10 items adopted from Gupta & Gupta (2015), Innovation uses 7 items from Byukusenge, Munene, & Orobias (2016) and hotel performance uses 5 items from Espino-Rodríguez & Ramírez-Fierro (2018). as 10 items that were adapted from Grawe et al. (2009).

4. Results and Discussions

Table 1 Path Coefficient

| <i>Hypotesis</i> | <i>Sample mean</i> | <i>T Statistics</i> | <i>P Value</i> |
|---|--------------------|---------------------|----------------|
| Innovation -> Hotel Performance | 0,758 | 16,147 | 0,000 |
| Entrepreneurial Orientation -> innovation | 0,386 | 2,775 | 0,006 |
| Market Orientation -> Innovation | 0,390 | 2,410 | 0,016 |

In table 1 it can be concluded that H1, H2, H3 are accepted because their P Values are below 0.05. These results indicate that EO and MO influence innovation and innovation affects hotel performance.

Table 2 Indirect Effects

| | Sample Mean | t statistics | P Values |
|--|-------------|--------------|----------|
| Entrepreneurial Orientation -> innovation -> hotel performance | 0,139 | 2,569 | 0,010 |
| Market Orientation -> Innovation -> hotel performance | 0,141 | 2,229 | 0,026 |

From table 2 it can be concluded that EO influences hotel performance with innovation as mediation, MO influences hotel performance with innovation as mediation. Innovation as a mediating variable can be proven with a P value below 0.05.

5. Conclusions and Implications

The research concludes that market orientation and entrepreneurial orientation influence hotel performance with innovation as mediation. The role of orientation and entrepreneurial orientation in non-star hotels is very large because it can affect innovation at the hotel. Non-star hotels must innovate based on consumer orientation and competitor orientation. Market orientation has a focus on customers and competitors, so they can increase their knowledge, produce action and drive innovation. With a market orientation that is customer orientation, non-star hotels can find the needs and desires of customers and adjust services accordingly. By tailoring services to meet customer needs, hotels can improve existing services or make small innovations to satisfy customers. The results of this study prove that EO is a strategic orientation that determines the company's compliance to linger at the lead of competition including taking benefit of new opportunities to engage in innovation in an uncertain situation.

This research is expected to help the Non-Star Hotels in Riau Islands in terms of improving performance through innovation. Non-Bintang Hotels are advised to be able to implement a customer orientation and competitor orientation, which is a survey of consumers to find out what consumers know. The survey can be in the form of making a questionnaire filled out by consumers who have stayed at the hotel containing about satisfaction, service and what needs are really from consumers. Also, the hotel must always monitor the movements of hotel competitors on the strategy carried out and schedule regular meetings to discuss competitors' actions and competitor performance.

References

- Agarwal, S., Krishna Erramilli, M., & Dev, C. S. (2003). Market orientation and performance in service firms: role of innovation. *Journal of Services Marketing*, 17(1), 68–82. <https://doi.org/10.1108/08876040310461282>
- Al-Ansaari, Y., Bederr, H., & Chen, C. (2015). Strategic orientation and business performance: an empirical study in the UAE context. *Management Decision*, 53(10).

<https://doi.org/10.1108/00251741211216232>

- Alizadeh, A., Alipour, H., & Hasanzadeh, M. (2013). *Market Orientation And Business Performance Among SMES Based In Ardabil Industrial City-Iran. Arabian Journal of Business and Management Review* (Vol. 2). Retrieved from http://arabianjbm.com/pdfs/KD_VOL_2_7/4.pdf
- Angkanurakbun, C., & Wanarat, S. (2016). The Mediating Effect of Product Innovation Capability on Entrepreneurial Pro-Activeness and Hotel Performance. *International Journal of Innovation Management*, 20(03), 1650035. <https://doi.org/10.1142/S1363919616500353>
- Azim, S., Abdullah, H. H., & Gorondutse, A. H. (2017). Competitive Strategy and Firm Performance: A Review of Literature. *International Journal of Business and Technopreneurship*, 7(1), 87–92.
- Babazadeh & Farahani. (2015). the Effect of Knowledge Management Capability and Dynamic Capabilities in Organizational Performance of Razi Insurance Company, 5, 2341–2349.
- Balan, P., & Lindsay, N. (2010). *Innovation capability and entrepreneurial orientation dimensions for Australian hotels an emprical study*. Australia: CRC for Sustainable Tourism Pty Ltd.
- Baregheh, A., Rowley, J., Sambrook, S., & Davies, D. (2012). Food sector SMEs and innovation types. *British Food Journal*, 114(11), 1640–1653. <https://doi.org/10.1108/00070701211273126>
- BPS. (2018). *Tingkat Hunian Kamar Hotel 2017*. (Barudin, Ed.). Badan Pusat Statistik.
- BPS. (2019). *STATISTIK Perkembangan Pariwisata dan Transportasi Nasional*.
- Brik, A. Ben, Rettab, B., & Mellahi, K. (2011). Market Orientation, Corporate Social Responsibility, and Business Performance. *Journal of Business Ethics*, 99(3), 307–324. <https://doi.org/10.1007/s10551-010-0658-z>
- Brouthers, K. D., Nakos, G., & Dimitratos, P. (2015). SME Entrepreneurial Orientation, International Performance, and the Moderating Role of Strategic Alliances. *Entrepreneurship: Theory and Practice*, 39(5), 1161–1187. <https://doi.org/10.1111/etap.12101>
- Bucktowar, R., Kocak, A., & Padachi, K. (2015). Entrepreneurial Orientation, Market Orientation and Networking: Impact on Innovation and Firm Performance. *Journal of Developmental Entrepreneurship*, 20(04), 1550024. <https://doi.org/10.1142/S1084946715500247>
- Byukusenge, E., Munene, J., & Orobia, L. (2016). Knowledge Management and Business Performance: Mediating Effect of Innovation. *Journal of Business and Management Sciences*, Vol. 4, 2016, Pages 82-92, 4(4), 82–92. <https://doi.org/10.12691/JBMS-4-4-2>

- Charles, L., Joel, C., & Samwel, K. C. (2012). Market Orientation and Firm Performance in the Manufacturing Sector in Kenya. *European Journal of Business and Management*, 4(10), 2222–2839.
- Chen, H. L., & Hsu, C.-H. (2013). Entrepreneurial orientation and firm performance in non-profit service organizations: Contingent effect of market orientation. *Service Industries Journal*, 33(5), 445–466. <https://doi.org/10.1080/02642069.2011.622372>
- Chin, C. H., Lo, M. C., & Ramayah, T. (2013). Market orientation and organizational performance: The moderating role of service quality. *SAGE Open*, 3(4). <https://doi.org/10.1177/2158244013512664>
- Cho, J., & Dansereau, F. (2010). Are transformational leaders fair? A multi-level study of transformational leadership, justice perceptions, and organizational citizenship behaviors. *Leadership Quarterly*, 21(3), 409–421. <https://doi.org/10.1016/j.leaqua.2010.03.006>
- Dave, A. S. and S. (2011). Entrepreneurial Orientation and Innovation Performance: The Mediating Role of Knowledge Management. *SCMS Journal of Indian Management*, 6(1), 257–275. <https://doi.org/10.1177/0266242612455034>
- Dehghan, A., & Pool, J. K. (2015). The Effects of Customer and Entrepreneurial Orientation on Innovativeness and Performance. *International Journal of Arts & Sciences*, 08(04), 357–364.
- Dewanto, E., & Rina, D. (2017). Pengusaha Hotel Merasa Terancam, Minta Airbnb Dibekukan. Retrieved March 15, 2019, from <https://bisnis.tempo.co/read/1036485/pengusaha-hotel-merasa-terancam-minta-airbnb-dibekukan/full&view=ok>
- Ebarefimia, S. (2017). Effects of Market Orientation Practices on Business Performance of Hotels in Nigeria. *Proceedings of the International Conference on Marketing, Tourism & Hospitality*, (April), 1–12.
- Edaminsan, O., & Aarinola, A. O. (2019). Entrepreneurial Orientation and Performance of Hospitality Industry in Akure, Nigeria. *European Journal of Business and Management*, 11(5), 74–88. <https://doi.org/10.7176/EJBM>
- Fawzy, H., Abuzid, T., & Abbas, M. (2017). Banks Performance and Impact of Market Orientation Strategy : Do Employee Satisfaction and Customer Loyalty Augment this Relationship ? *International Review of Management and Marketing*, 7(2), 60–66.
- Gruber-Muecke, T., & Hofer, K. M. (2015). Market orientation, entrepreneurial orientation and performance in emerging markets. *International Journal of Emerging Markets*, 10(3), 560–571. <https://doi.org/10.1108/IJoEM-05-2013-0076>
- Gupta, V. K., & Gupta, A. (2015). Relationship between entrepreneurial orientation and firm performance in large organizations over time. *Journal of International Entrepreneurship*, 13(1), 7–27. <https://doi.org/10.1007/s10843-014-0138-0>
- Hair, J. F., Celsi, M., Money, A. H., Samouel, P., & Page, M. J. (2015). *Essentials of business*

- research methods* (3rd ed.). New York: Routledge.
- Hani Al-Dmour, R., Professor, A., Bader Yousef Obeidat, J., Professor, A., Moh, E., Masa, T., ... Abdelkarim, D. (2015). The Practice of HRIS Applications in Business Organizations in Jordan: An Empirical Study. *Conference Proceedings (COES&RJ-CP)*, 2(25), 53–74. Retrieved from <http://centreofexcellence.net/C/ConferenceProceedings.htm>
- Hilman, H., & Kaliappen, N. (2014). Market Orientation Practices and Effects on Organizational Performance: Empirical Insight From Malaysian Hotel Industry. *SAGE Open*. <https://doi.org/10.1177/2158244014553590>
- Hughes, P., Hodgkinson, I. R., Hughes, M., & Arshad, D. (2017). Explaining the entrepreneurial orientation–performance relationship in emerging economies: The intermediate roles of absorptive capacity and improvisation. *Asia Pacific Journal of Management*, 1–29. <https://doi.org/10.1007/s10490-017-9539-7>
- Idris, M. (2017). Fenomena Aplikasi Pelan-pelan “Bunuh” Bisnis Hotel. Retrieved from <https://finance.detik.com/berita-ekonomi-bisnis/d-3474260/fenomena-aplikasi-pelan-pelan-bunuh-bisnis-hotel>
- Inauen, M., & Schenker, A.-W. (2012). Fostering radical innovations with open innovation. *European Journal of Innovation Management*, 15(2), 212–231. <https://doi.org/10.1108/14601061211220986>
- Jassmy, B. A. K., & Bhaya, Z. M. A. (2016). Strategic Orientation And Effects On Organizational Performance - Analytical Study In Real Estate Banks In Al-Dewanya Province. *PROCEEDINGS OF THE 10th INTERNATIONAL MANAGEMENT CONFERENCE "Challenges"*, 200–212.
- Johnson, A. J., Dibrell, C. C., & Hansen, E. (2009). Market Orientation, Innovativeness, and Performance of Food Companies. *Journal of Agribusiness*, 27(1/2), 85–106.
- Kajalo, S., & Lindblom, A. (2015). Market orientation, entrepreneurial orientation and business performance among small retailers. *International Journal of Retail & Distribution Management*, 43(7). <https://doi.org/10.1108/09574090910954864>
- Kementerian Pariwisata Indonesia. (2018). Laporan Akuntabilitas Kinerja Kementerian Pariwisata Tahun 2017. *Kementerian Pariwisata*, 134. Retrieved from <http://www.kemenpar.go.id/asp/detil.asp?c=16&id=3101>
- Kharabsheh, R., Ensour, W., & Bogolybov, P. (2017). Learning orientation, market orientation and organizational performance: The mediating effect of absorptive capacity. *Business and Economic Research*, 7(1), 416–423. <https://doi.org/10.5296/ber.v7i1.10294>
- Kim, D., Basu, C., Naidu, G. M., & Cavusgil, E. (2011). The innovativeness of Born-Globals and customer orientation: Learning from Indian Born-Globals. *Journal of Business Research*, 64(8), 879–886. <https://doi.org/10.1016/j.jbusres.2010.09.008>

- Kocak, A., Carsrud, A., & Oflazoglu, S. (2017). Market, entrepreneurial, and technology orientations: impact on innovation and firm performance. *Management Decision*, 55(2).
- Lisboa, A., Skarmeas, D., & Lages, C. (2011a). Entrepreneurial orientation, exploitative and explorative capabilities, and performance outcomes in export markets: A resource-based approach. *Industrial Marketing Management*, 40(8), 1274–1284. <https://doi.org/10.1016/j.indmarman.2011.10.013>
- Lisboa, A., Skarmeas, D., & Lages, C. (2011b). Innovative capabilities: Their drivers and effects on current and future performance. *Journal of Business Research*, 64(11), 1157–1161. <https://doi.org/10.1016/j.jbusres.2011.06.015>
- Lo, Y.-H. (2012). Back to Hotel Strategic Management 101 : An Examination of hotels ' Implementation of Porter ' s Generic Strategy in China. *The Journal of International Management Studies*, 7(1), 56–70. <https://doi.org/10.3406/caief.1962.2226>
- Mahmoud, M. A., Balnkson, C., Owusu-Frimpong, N., Nwankwo, S., & Trang, T. P. (2015). Market orientation, learning orientation and business performance: the mediating role of innovation. *International Journal of Bank Marketing*, 11(6), 8–10. <https://doi.org/10.1108/EUM0000000001122>
- Marjudin. (2017). Apindo Anggap Airbnb Ancam Industri Hotel Nasional. Retrieved March 1, 2019, from https://www.indopremier.com/ipotnews/newsDetail.php?jdl=Apindo_Anggap_Airbnb_Ancam_Industri_Hotel_Nasional&news_id=84803&group_news=IPOTNEWS&news_date=&taging_subtype=RESTORANDANHOTELDANPARIWISATA&name=&search=y_general&q=biro_perjalanan,hotel_berbintang,
- Masa'deh, R. (Moh'd T., Yousef Obeidat, B., Shawqi Zyod, D., & Hamdi Gharaibed, A. (2015). The Associations among Transformational Leadership, Transactional Leadership, Knowledge Sharing, Job Performance, and Firm Performance: A Theoretical Model. *Journal of Social Science*, 4(2). <https://doi.org/10.17632/w3bg6vj29c.1>
- Masa'deh, R., Shannak, R., Maqableh, M., & Tarhini, A. (2017). The impact of knowledge management on job performance in higher education: The case of the University of Jordan. *Journal of Enterprise Information Management*, 30(2), 244–262. <https://doi.org/10.1108/JEIM-09-2015-0087>
- Moghaddam, A. G., Imani, Y. A., Erteza, N., & Setayeshi, L. (2013). Mediating Role Of Innovation & Market Orientation In The Relationship Between Knowledge Management & Financial Performance : A Case Study Of Small & Entrepreneur Business. *Interdisciplinary Journal of Contemporary Research in Business*, 5(3), 688–698.
- Mudasir, R., & Fokoddam, F. (2018). Dampak Disrupsi Digital: Kehadiran Airbnb dan Kekhawatiran Industri Perhotelan. Retrieved March 16, 2019, from <https://koran.bisnis.com/read/20180412/244/783333/dampak-disrupsi-digital-kehadiran-airbnb-dan-kekhawatiran-industri-perhotelan>

- Muhammad Saqib, N., Masoodul, H., & Sadia, S. (2014). Impact of Knowledge Management Practices on Firm Performance: Testing the Mediation Role of Innovation in the Manufacturing Sector of Pakistan. *Pakistan Journal of Commerce and Social Sciences*, 8(1), 99–111. <https://doi.org/http://www.jespk.net/publications.php>
- Nawab, S., Nazir, T., Zahid, M. M., & Fawad, S. M. (2015). Knowledge Management, Innovation and Organizational Performance. *International Journal of Knowledge Engineering-IACSIT*, 1(1), 43–48. <https://doi.org/10.7763/IJKE.2015.V1.7>
- Noraindah, & Rohaizat. (2016). Market Learning Orientation and Entrepreneurial Orientation Effects Towards Absorptive Capacity and Innovative Capability on Firm Performance. *International Business Management*, 10(7).
- Obeidat, B. Y. (2016). The Effect of Strategic Orientation on Organizational Performance: The Mediating Role of Innovation. *International Journal of Communications, Network and System Sciences*, 09(11), 478–505. <https://doi.org/10.4236/ijcns.2016.911039>
- Obeidat, B. Y., Al-Suradi, M. M., Masa'deh, R., & Tarhini, A. (2016). The impact of knowledge management on innovation An empirical study on Jordanian consultancy firm. *Management Research Review*, 39(10), 1214–1238. <https://doi.org/10.1108/JHOM-09-2016-0165>
- Obeidat, B. Y., Masa, T., & Abdallah, A. B. (2014). The Relationships among Human Resource Management Practices, Organizational Commitment, and Knowledge Management Processes: A Structural Equation Modeling Approach. *International Journal of Business and Management*, 9(3), 9–26. <https://doi.org/10.5539/ijbm.v9n3p9>
- Oluwatoyin, A. M., Olufunke, A. P., & Salome, I. O. (2018). The Impact of Market Orientation on Performance of Selected Hotels in Ondo State, Nigeria. *Journal of Business and Management*, 6, 616–631. <https://doi.org/10.4236/ojbm.2018.63047>
- Ozcomert, M., Erdil, O., Kitapci, H., & Alpan, L. (2018). Transforming of External Knowledge to New Products: The Effects of Market Orientation and Absorptive Capacity. *International Journal of Business Management & Economic Research*, 9(5), 1365–1377. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=plh&AN=132742614&site=eds-live&scope=site>
- Pett, T. L., & Wolff, J. A. (2011). Examining SME performance: the role of innovation, R&D and internationalisation. *International Journal of Entrepreneurial Venturing*, 3(3), 301. <https://doi.org/10.1504/IJEV.2011.041277>
- Pratono, A. H., Darmasetiawan, N. K., Yudianto, A., & Jeong, B. G. (2019). Achieving sustainable competitive advantage through green entrepreneurial orientation and market orientation. *The Bottom Line*, BL-10-2018-0045. <https://doi.org/10.1108/BL-10-2018-0045>
- Prayitno, T. H., Wahyudi, S., Faculty, B., & Farida, N. (2017). Linking Of Customer And Competitor Orientation On Business Performance. *International Journal of Civil*

- Engineering and Technology (IJCIET)*, 8(9), 71–81.
- Rhee, J., Park, T., & Lee, D. H. (2010). Drivers of innovativeness and performance for innovative SMEs in South Korea: Mediation of learning orientation. *Technovation*, 30(1), 65–75. <https://doi.org/10.1016/j.technovation.2009.04.008>
- Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. *Journal of Management*, 35(3), 718–804. <https://doi.org/10.1177/0149206308330560>
- Richard, & Petriella, Y. (2018). Pertumbuhan Bisnis Nonbintang Ancam Hotel Berbintang. Retrieved March 8, 2019, from <https://ekonomi.bisnis.com/read/20181011/12/848179/pertumbuhan-bisnis-nonbintang-ancam-hotel-berbintang>
- Samuel, A., Howard, S., & Narteh, Q. B. (2016). Entrepreneurial orientation, passion for work, perceived environmental dynamism and firm performance in an emerging economy. *I Journal of Small Business and Enterprise Development*, 23(3). <https://doi.org/10.1108/09574090910954864>
- Saunila, M., Pekkola, S., & Ukko, J. (2014). The relationship between innovation capability and performance: The moderating effect of measurement. *International Journal of Productivity and Performance Management*, 63(2), 234–249. <https://doi.org/10.1108/IJPPM-04-2013-0065>
- Serna, M. D. C. M., & Martínez, J. E. V. (2016). The Impact of Learning Orientation on Innovation and Performance in SME's in México. *International Review of Management and Business Research*, 5(1), 48–65.
- Sirivanh, T., Sukkabot, S., & Sateeraroj, M. (2014). The Effect of Entrepreneurial Orientation and Competitive Advantage on SMEs ' Growth: A Structural Equation Modeling Study. *International Journal of Business and Social Science*, 5(6), 189–195. <https://doi.org/10.1007/BF01976328>
- Tajeddini, K. (2010). Effect of customer orientation and entrepreneurial orientation on innovativeness: Evidence from the hotel industry in Switzerland. *Tourism Management*, 31(2), 221–231. <https://doi.org/10.1016/j.tourman.2009.02.013>
- Thoumrungroje, A., & Racela, O. (2013). The contingent role of customer orientation and entrepreneurial orientation on product innovation and performance. *Journal of Strategic Marketing*, 21(2), 140–159. <https://doi.org/10.1080/0965254X.2012.742129>
- Tomal, D. R. (2015). A Comparisan of Core Competenvies Of Women And Men Leaders in the Manufacturing Industry. *The Coastal Business Journal*, 14(1), 13–26.
- Torre, E. Della, & Solari, L. (2011). High performance work systems, technological innovations and firm performance in SME: evidences from Italy. *International Journal of Entrepreneurial Venturing*, 3(4), 375. <https://doi.org/10.1504/IJEV.2011.043384>
- Wilson, G. A., Perepelkin, J., Zhang, D. Di, & Vachon, M.-A. (2014). Market Orientation,

- Alliance Orientation, and Business Performance in the Biotechnology Industry. *Journal of Commercial Biotechnology*, 20(2). <https://doi.org/10.5912/jcb645>
- Yousef Obeidat, B., El-Rimawi, S., Masa'deh, R., Maqableh, M., & Al-Jarrah, I. (2013). Evaluating the Profitability of the Islamic Banks in Jordan. *European Journal of Economics*, (56). <https://doi.org/10.1002/bit.10250>
- Zhou, K. Z., Yim, C. K. (Bennett), & Tse, D. K. (2005). The Effects of Strategic Orientations on Technology- and Market-Based Breakthrough Innovations. *Journal of Marketing*, 69(2), 42–60. <https://doi.org/10.1509/jmkg.69.2.42.60756>

Author Profile



Lily Purwianti SE., MM lecturer at UIB (University Internasional Batam), Indonesia. Now completing his S3 study at Trisakti University, Indonesia. S2 from Brawijaya University Malang, Indonesia. Currently he is still actively teaching at UIB (University Internasional Batam) in the Faculty of Economics.