



**THE IMPACT OF ALIGNING SUCCESSFUL APPLICATION  
OF MARKET ORIENTATION ON E.COMMERCE'S SERVICE  
QUALITY STRATEGY: THE CASE OF STARRED HOTEL  
VISITORS ON THE INDONESIAN ISLAND OF SUMATERA  
PROPOSING CONCEPTUAL FRAMEWORK**

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**Abstract**

*The purpose of this study is to determine the successful application of market orientation to the e.commerce Service Quality Strategy. The unit of analysis in this study is visitors to star hotels on the island of Sumatera-Indonesia. The results showed that the successful implementation of market orientation directly affected the e.commerce Service Quality Strategy which had the characteristics possessed by services such as friendly, smiling, fresh clean and cool to produce successful implementation of customer orientation, competitor orientation, and coordination between functions. Furthermore it was found that successful service oriented competitors are often seen as competitors who have a strategy and understand how to obtain and share information about competitors, how to respond to the actions of competitors and also how top*

*management responds to competitor's strategy implications on the quality received by consumers as the quality of service assessed by consumers in the form of the best overall. Assessment of the quality of service factors in general from the company to its customers. Quality is the overall characteristics and nature of a product or service that influences its ability to satisfy expressed or implied needs and gives satisfaction.*

*Keywords: Market Orientation, E.Commerce, Service Quality Strategy, Indonesia*

## **INTRODUCTION**

Technological advances that cannot be dammed cause a company's product continues to grow until at a Hertati point (2015). Furthermore Hertati (2019) states that products will be difficult to distinguish from one another. Syafarudin (2019) states that in order to win in a competition in marketing producer products not only based on product quality, but also depends on the strategy generally used by the company namely market orientation (Kumar et al., 2011). Then Hertati (2015) states that the service strategy can be improved through E-Commerce which is the activity of spreading, selling, purchasing, marketing products (goods and services), by utilizing telecommunications networks such as the internet online. Internet network through e.commerce marketing is a corporate culture that can lead to increased marketing performance (Maryam et al., 2014). Furthermore, Hertati (2016) states that market orientation is the most effective and efficient organizational culture to create the behaviors needed to create superior value for buyers and produce superior performance for companies. Then Hertati (2016) states that companies that have made success in market orientation as an organizational culture are based on external basic needs, market wants and demands as the basis for developing business unit strategies in organizations in determining the success of corporate goals. Syafarudin (2019) states that the current era of globalization there is a change in marketing paradigm that is more focused on being able to meet customers, one of the new approaches used is the marketing relationship, the relationship between sellers and buyers built through long-term relationships both in marketing products and services ( Shammout, 2007).

A highly competitive business world, especially in the hospitality sector, makes the company make every effort to get customers. Customer satisfaction is something that the company hopes for especially in the hospitality sector (Jahanshasi et al., 2011). Satisfaction is obtained when customer needs and desires are met, while human wants and needs are constantly changing and have no limits. Customer satisfaction or dissatisfaction is the customer's response to the evaluation of discrepancies or discretion that is felt between

previous expectations (or other performance norms) and actual perceived product performance. Business competition occurs in various business sectors, and it is undeniable that it also occurs in the tourism industry. Nowadays business competition is increasingly high and unavoidable for business people (Milohnic et al., 2010).

Business people continue to find ways and strategies to be able to survive the changes that occur in the business environment, by trying to always understand and understand the needs and desires of consumers (Chang, 2011). Along with the development of the business world, directly or indirectly greatly affects the performance of the company so that competition between companies is also increasing (Crema et al., 2014). Therefore, every company is required to manage its business as well as possible to be able to create excellence in competition and can grow and survive so as to win the competition and earn profits. This means that the company must establish a competitive strategy that is right for the company. To deal with business competition that is so high, companies are required to have competitive advantage (Sari et al., 2014), considering that this has an impact on the company's resilience in business competition. Competitive advantages in an organization can be obtained by paying attention to the superior value for customers (Macfarlane, 2014), culture and climate to bring improvements to the efficiency and effectiveness of various business sectors.

The growing business sector as a result of globalization is the service sector (Greenwood, 2013). This was partly marked by changes in sectoral contributions to national output as a result of a shift in the national workforce from the agricultural sector to the industrial sector and then to the service sector. The service sector itself is considered the highest stage in the process of economic development in a country and one of the fastest growing sectors is the tourism services sector (Lovelock, 2002). The tourism industry is one of the world's largest industries. This industry has become the largest contributor to international trade from the service sector, approximately 37% of the main sources of foreign exchange in the world, in Southeast Asia tourism can contribute 10-12% of Gross Domestic Product (GDP) and 7-8% of total employment (Leksono et al., 2014). The tourism industry is in business competition both in the world and in Indonesia. Therefore, with the development of the tourism industry the tourism support sector has also experienced very rapid progress. The growth of the tourism industry is indirectly inseparable from the aspects that support it, and is wrong one sector supporting the tourism industry is the Perho industry swallow.

At present, the hotel industry as a lodging service is needed to stimulate and encourage the tourism industry in the future, because the need for the hospitality industry for accommodation is very necessary and is a market opportunity that must be managed effectively (Zaei, 2013). The hospitality industry is one form of trade that provides lodging, meeting, food and beverage

services and other supporting services that are managed commercially. Tourism is a trip for recreational, holiday or business purposes. While the World Tourism Organization or the World Tourism Organization conveys tourists as people who travel and live outside of their usual environment for more than 24 hours but less than one consecutive year with the aim of vacationing, doing business, and destinations other and not related to the implementation of compensation-given activities in the place visited (Rifai, 2011).

The development of the hospitality industry in Indonesia continues to increase from year to year. This can be assessed from the number of rooms occupied by hotel guests, where the number of guests of starred hotels in Indonesia as a whole has increased starting in 2003 continued to increase until 2014. Certainly indicates that the hospitality industry is an attractive industry in Indonesia, given the increasing number of occupancy. However, there was a problem for Riau Province, where in 2003 the occupancy rate was quite high but continued to decline until 2014, with a percentage of more than 100% . The decline in occupancy rates indicates that, the decreasing interest of consumers to visit the area, for one reason or another, one of which is the offer and service of the hotel. Indirectly, if examined further, there is a problem with starred hotels in Riau Province. Where alleged competitive advantage of Star Hotels in Riau Province is lower than other Provinces in Indonesia. Considering that only Riau Province with its City, Pekanbaru, has experienced a decline in hotel occupancy rates. Where in fact a best service in the world is more connected with service to hotels. Besides measuring consumer satisfaction in hotels, actually it will appear from the quality of services provided (Jahanshasi et al., 2011).

Companies that provide quality services can be determined by a service approach (Jelcic, 2014), which states that service quality has a variety of potential applications that can help various services and retail organizations to examine consumer expectations and perceptions of service quality. This can also help in determining areas that require managerial attention and actions to improve service quality. Quality of service is a key factor in the success of a company engaged in services such as salons, hospitals, banks, and hotels (Bellou et al., 2006). The general characteristics of jobs engaged in these services are intensive interactions with consumers, so management must pay attention to whether employees have done their best to please consumers (Robbins et al., 2008). Optimal service quality can be achieved if the company is able to realize job satisfaction and organizational commitment. Hotels as one of the businesses engaged in services have the obligation to guarantee the quality of services that directly or indirectly affect consumers.

## SUCCESSFUL APPLICATION OF MARKET ORIENTATION

The initial theory from (Kohli & Jaworski, 1990), conveys the successful implementation of Market Orientation (MO) as three marketing activities that are mutually sustainable with each other through an integrated internet network: (1) the company's efforts to obtain market information related to the needs of future customers now and in the future, (2) the process of disseminating information about market intelligence to all across departments, (3) the response of the efforts made by each department to that information. (Kohli & Jaworski, 1990) said "Market orientation is the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments and organization-wide responsiveness to it". The theory can be interpreted that market orientation is the generation of organizational reach from market intelligence related to the needs of future consumers, the spread of intelligence in all departments and the reach of the organization can reach it Hertati (2015). Market orientation consists of market intelligence, consumer desires, and information dissemination (hertati, 2015). The theory emphasizes the importance of information and management's sensitivity to consumer desires (hertati, 2016). The impact of market orientation is the creation of a product or service according to the market's desire, so that the value of a product offered is higher in the eyes of its consumers (Hertati, 2016).

Slater & Narver, (2000a), who said that the market orientation consists of three behavioral components - customer orientation, competitor orientation, and interfuctional coordination, and two decision criteria - long term focus and profitability ". The theory can be interpreted that the successful implementation of market orientation is consistent in 3 components of behavior - consumer orientation, competitor orientation and coordination between functions, and 2 decision criteria - long-term focus and profit. Studying from the second theory there appears to be a developmental theory, where orientation to competitors and focus on long-term profits are the other main points in market orientation. In an empirical study, market orientation can be applied to the hotel industry (Sari et al., 2014). Where hotels need to see the desire of consumers, for service improvement. Look at competitors to measure the strategies that have been created and are oriented towards long-term benefits. Kumar et al ., (2011) concluded that "market orientation's primary objective is to deliver superior customer value, which is based on knowledge derived from customers and competitor analyzes and the process by which this knowledge is gained and disseminated throughout the organization". From this opinion the principle is the same that market orientation is intended to know the main desires of the market. The theory is intended for all companies in the context of achieving competitive advantage and company performance. Market orientation as a process and activity related to the creation and satisfaction of customers by continuously assessing the needs and desires of customers

(Fowdar et al., 2010). Application of market orientation will bring increased performance for the company. Customer orientation and competitor orientation including all activities involved in obtaining information about buyers and competitors in the target market and disseminating through business (Hertati, 2015), while interfunctional functions are based on customer and competitor information and consist of coordinated business ventures (Hertati, 2015 ). Service Quality Strategy e-commerce market orientation is a corporate organizational culture that sees the market as a stakeholder, with management through efforts to always find information about customer needs so that products and services are produced to increase customer satisfaction (Ferdinand, 2006). Besides that, the market approaches by exploring and developing information about customers, so that market anticipation can be carried out proportionally. More than that, the market can be served well, if the company as a whole is responsive to the demands of the response of customers and competitors in the market. Based on the study of previous theories it can be concluded that market orientation is seen as a corporate culture with the following dimensions: (1) Development of Customer Information. (2) Development of Competitor Information, (3) Coordination between or cross functions of all customer and competitor information, to produce the best in order to present "superior value" for its customers.

The successful implementation of customer orientation can also be interpreted as an adequate understanding of the customer's buying target in order to create superior value for buyers on an ongoing basis. Understanding here includes an understanding of the entire value chain of the buyer, both at the latest and at the time of its development in the future. This effort can be achieved through the process of finding information about customers (Mark, 2000). With this information the sales company will understand who its potential customers are, both now and in the future and what they want for now and in the future. From this explanation it can be understood that the application of market orientation requires the company's ability to find various market information so that it can be used as a basis for the company to take the next step or strategy. While competitor orientation means the company understands the short-term strengths, weaknesses, long-term capabilities and strategies of its potential competitors (Maryam et al., 2014). Competitor-oriented companies are often seen as companies that have a strategy and understand how to obtain and share information about competitors, how to respond to competitors' actions and also how top management responds to competitors' strategies. Orientation to competitors can be assumed that the sales force will try to gather information about competitors and share that information with other functions within the company, for example to the research and product development division or discuss with the

company's leadership how the competitor's strengths and strategies are developed (Ferdinand, 2006).

Interfunctional coordination is the use of coordinated company resources in creating superior value for targeted customers (Fowdar et al., 2010). Interfunctional coordination refers to specific aspects of the organizational structure that facilitate communication between different organizational functions. Interfunctional coordination is based on customer and competitor information and consists of business alignment efforts, typically involving more than the marketing department, to create superior value for customers. Interfunctional coordination can enhance communication and exchange between all organizational functions that pay attention to customers and competitors, and inform the latest market trends. This fosters both trust and independence among separate functional units, which in turn gives rise to a company environment that is more willing to accept a completely new product based on customer needs. Of course, with the coordination between functions that are directly in the corporate culture. According to (Robbins & Martin, 2011), there are seven primary characteristics that collectively capture the nature of organizational culture, namely:

1. Innovation and risk taking.
2. Attention to details. The extent to which employees are expected to show accuracy, analysis and attention to details.
3. Result orientation. The extent to which management focuses on results, both on the techniques and processes used to get the results.
4. Orientation of people. The extent to which management decisions take into account the effects of results on the people in the organization.
5. Team Orientation. The extent to which work activities are organized in work teams, not individuals.
6. Aggressiveness. The extent to which people are aggressive and competitive, not relax.
7. Stability. The extent of the organization's activities emphasizes the status quo as opposed to growth or innovation.

A market-oriented company is a company that develops a better understanding in the whole organization about consumer needs, so as to create customer value (Kumar et al., 2011). In this study the dimensions of market orientation used refer to research (Slater & Narver, 2000a), which include: (1) Customer orientation, (2) Competitor orientation, and (3) Coordination between functions. Customer orientation by the research is placed as the highest priority in terms of purchasing superior values for customers. Customer orientation is an analysis of customer focus, which has several key indicators, namely consumer satisfaction, consumer



benefits, marketing efforts, creating value for consumers, and recording information from consumers.

Whereas competitor orientation can be interpreted as an understanding of short-term strengths and weaknesses, as well as the long-term stability and strategy of competitors who currently exist as potential competitors that will emerge. Competitor orientation is another important factor in making a customer value. Some key activities that indicators can provide for competitor orientation include competitor information, information on environmental changes, and competitor strategies. In coordination between functions it describes the utilization of all existing resources within the company in order to create superior value for consumers (Slater & Narver., 2000).

The results of research conducted by (Ramayah et al., 2011) prove that market orientation has a positive relationship to competitive advantage. Companies that apply market orientation have advantages in terms of customer knowledge and this advantage can be used as a source for creating products that suit the wants and needs of customers. Market orientation has been characterized as an organizational culture that requires customer satisfaction to be placed at the center of business operations (Lee et al., 2015) therefore producing superior value for customers and outstanding performance for the company (Dominic et al., 2010). Thus it can be said that market-oriented companies will have more value to their customers so that they have a high competitive advantage and will ultimately improve company performance. By fulfilling market nominations, the company is able to meet the needs of its customers, in the hospitality industry one of the needs of consumers is an excellent service. The culture of employees of a hotel greatly influences the quality of services provided to its guests. (Ford et al., 2000) said that "the key to service success in excellent organizations is to build a strong service culture". Which means that the key to success from service in a good hospitality industry is to build a strong service culture. From the statement above, it can be concluded that there is a relationship between market orientation and human capital of the hotel industry. Where human capital is required to have service quality.

Based on several studies of concepts from previous market orientation, then the extraction of market orientation in this study is the business of companies in fulfilling more value to consumers by getting market information related to consumers, consumer-oriented (customer orientation), competitors (competitor orientation), and inter-functional coordination. The theory is used in the Hospitality industry, where hotels as service companies need to see the orientation of consumers, competitors and coordination between functions within the hospitality industry. The purpose of market orientation in hotels certainly understands the desires of consumers by providing more value to consumers. Market orientation is the business of a company in fulfilling



more value to its customers by getting market information and market needs that must be met. Relating to companies that are oriented to consumers, competitors and coordination between functions within the company.

## **E.COMMERCE'S SERVICE QUALITY STRATEGY**

Hertati (2015) states that quality is the overall characteristics and nature of a product or service that affects its ability to satisfy expressed or implied needs. Furthermore Hertati (2015) states that the Strategy is a tactic that has a narrower scope and shorter time, related strategies in undergoing E-commerce can be interpreted as the activity of buying and selling transactions of goods, services or strategies for transmitting funds or data using electronic connected to the internet. This e-commerce transaction is no longer a new thing in the country, even its development is fairly rapid

Consumers in buying a product usually have leased information in the hope that the performance of the product or service meets expectations, or even exceeded the expectations of consumers not only once but repeatedly so as to provide satisfaction. Thus the consumer's perception is that someone has obtained a product or service that has quality. Service quality itself according to (Parasuraman et al, 1988) from the previous theory says that, service quality is the result of a comparison between consumer expectations for real service performance. The theory translates that the quality of service is divided into two things: expectations and reality received. So the notion of service quality includes tangible components of expectation and performance about a service. In contrast to the opinions of (Lovelock, 2010) who argue that service quality is the result of an evaluation process in which consumers compare the services obtained with the services provided. So that service quality can be defined from the user's perspective is the service provided is more than expected. Based on the above theory it can be concluded for service companies that service quality is the value of consumers over the comparison between expectations and performance of the services it receives. There are differences in perceptions of service quality, the general perspective on service quality according to (Wirtz, 2011) consists of:

1. The Transcendent View. In this approach, quality is seen as innate excellence, which is a standardization and high achievement. This perspective is applied to performance art and visual art, this opinion says quality is done through experience gained from repeated exposures. From a practical point of view, however, the manager or customer will know the quality, when the delivery of quality is not good.
2. Manufacturing-based Approach. This perspective defines quality as conformity with requirements. This approach focuses on adjusting internally developed specifications, which are

often driven by the goal of increasing productivity and reducing costs. So determining quality is a standard set by the company, not consumers who use it.

3. User Based Definition. This approach is based on the idea that quality depends on the person who sees it, so that the product that best satisfies one's preferences, for example perceived quality is the highest quality product.

4. Value Based Definition. This approach views quality in terms of value and price. Based on the exchange between good and bad performance and price, so quality is defined as "affordable excellent".

In the hospitality industry service quality is seen from all perspectives. So that all the elements contained in the Hotel are taken into consideration from the manager's side that is valued by the consumer. These approaches sometimes make disagreements between managers and other department functions, so the researchers argue to define and measure the quality of service by consumers, namely hotel guests. Service quality in principle can be measured, and the size of service quality has differences from each expert researcher. Service companies have different characteristics from goods (physical products). According to Tjiptono (2003) there are four main characteristics of services that distinguish them from goods. The four characteristics include:

1. Intangible.

Services are intangible, meaning they cannot be seen, felt, touched, kissed, or heard before being bought. The intangible concept itself has two meanings, namely: (a) Something that cannot be touched and cannot be felt, and (b) Something that is not easily defined, formulated, or understood spiritually. A person cannot judge the results of a service before he enjoys it himself. When a customer buys services, he only uses, utilizes, or rents these services. The customer does not necessarily have the service he bought. Therefore to reduce uncertainty, customers pay attention to the signs or evidence of the quality of the service. They will conclude the quality of services from places, people (people), equipment (equipment), communication materials (communication materials), symbols, prices they observe.

2. Inseparability.

Goods are usually produced, then sold, then consumed. While services are usually sold first, then produced and consumed simultaneously. Interaction between service providers and customers is a special feature of service marketing. Both affect the outcome (outcome) of the service. In the relationship between service providers and customers, the effectiveness of individuals delivering services (contact personnel) is a very important element.

### 3. Variability.

Services are highly variable because they are nonstandardized output, meaning that there are many variations in shape, quality and type, depending on who, when, and where the service is produced. There are three factors that cause variability in service quality, namely cooperation or customer participation during service delivery, employee morale / motivation in serving customers, and company workload.

### 4. Perishability.

Services are commodities that are not durable and cannot be stored. Thus if a service is not used, then the service will pass away. This condition will not be a problem if the demand is constant. But in reality customer demand for services generally varies greatly and is influenced by seasonal factors. Therefore, service companies must evaluate their capacity (substitution of inventory services) to balance supply and demand.

Good service quality starts from customer needs and ends at the customer's perception. This can be interpreted that the image of good quality is not based on perceptions of the service provider, but based on the perception of customers who have felt it. Customer perception of service quality is a comprehensive assessment of the superiority of a service. Likewise with the hospitality industry, which is able to assess the quality of service is its customers, namely hotel guests.

In measuring the service quality of the first previous research from (Parasuraman et al., 1988) developed research on service quality, namely:

1. Tangibles (physical evidence) include physical facilities, equipment, and personal appearance,
2. Reliability includes the ability to carry out promised and accurate services,
3. Responsiveness includes the willingness to help customers and provide fast service,
4. Assurance includes the knowledge and politeness of employees and their ability to provide trust and confidence,
5. Empathy includes empathy, individual company attention to customers.

Parasuraman et al. (1988), measured the quality of service. One of them is in research (Maryam et al., 2014) and (Warraich et al., 2013), which conveys the five dimensions of service quality in the same company in different countries in the telecommunications sector. Similar things also happened specifically in the field of hospitality services in the research (Grzanic, 2007), where tangibles, reliability, responsiveness, assurance, and empathy were used as dimensions of measurement of hotel service quality. Although many experts have expressed opinions about the dimensions of service quality, opinions that are often used in service valuation are those expressed by (Parasuraman et al, 1988) and these dimensions are also

used in this study considering that this study focuses on the hospitality industry. Consumers will use the five dimensions of quality to form an assessment of the quality of service delivered by star hotels.

### **Influence of Successful Application of Market Orientation On E.Commerce's Service Quality Strategy**

Success in Applying Market orientation and human capital can be implemented. On the other hand the success of the application of market orientation also has a significant relationship with the e.commerce Service Quality Strategy. This is supported by previous research from Ramayah et al. (2011) which states that the success of market orientation has an impact on organizational performance and the e.commerce Service Quality Strategy either partially or simultaneously. Then from the research of Green et al. (2007) which states that the success of market orientation expectations can improve the e.commerce Service Quality Strategy in organizations and organizational culture is the basis of the successful implementation of market orientation. Continued from research by Fowdar et al. (2010) which states that there is a positive relationship between market orientation and service quality and business performance. And confirmed from recent research Maryam et al. (2014) who found a positive relationship between market orientation and service quality and business performance. Reviewing the opinions of the experts above can be interpreted that the successful implementation of market orientation actually has a significant relationship and even influence with e.commerce's Service Quality Strategy. Likewise with the relationship between human capital with e.commerce's Service Quality Strategy, which actually has a significant relationship with e.commerce's Service Quality Strategy. Aryee et al. (2013) which states that human capital has an impact on the formation of service quality as well as on the motivation and performance of companies. Then proceed with research from Liao et al., (2009) which found a very significant relationship between human capital and the quality of e.commerce Service Quality Strategies. As well as opinions from Stackhouse (2002), Kamukama (2013), and Pabedinskaite et al. (2014) which of the two studies supports the statement that the formation of the e.commerce Service Quality Strategy of human capital in the company.

Based on the opinion above, it can be concluded that the successful implementation of market orientation has a relationship with the e.commerce Service Quality Strategy. Studies from previous research support the current research with a focus on the hospitality industry. Ramayah, Samat, & Saad (2011) conducted a study that the successful application of market orientation had a significant impact on organizational performance and the e.commerce Service Quality Strategy. Service quality has a significant effect on organizational performance. Service

quality partially mediates the relationship between market orientation and organizational performance. In this study a clear discussion related to quantitative research of 3 main variables, namely Market Orientation, Service Quality and Organizational Performance. This research is used in the field of Services in Malaysia. This study examines service companies in general not focusing on one service sector such as hotels. However, this study supports the current research because it has in common several research variables, namely Market Orientation and Service Quality, especially Service Quality as a mediating variable. However, in the current study there is the addition of an independent variable, namely human capital which characterizes the hotel workforce and Competitive Advantage as an independent variable.

Green, Chakrabarty, & Whitten (2007) examine the successful application of market orientation to improve service quality in organizations, Organizational culture has an influence on creating the application of market orientation. The study focused on 15 Service Provider (Telecommunications) companies with Market Orientation and Service Quality variables. In Market Orientation the dimensions used are only Customer Focus and Need Assessment. With respondents focusing on consumers as much as 534. The limitation of this study is only to examine the relationship between MO and SERQUAL. Appears on the conclusion by giving advice to be associated with Company Performance. However, the relationship between the two variables is used in the current study despite the development of Fowdar mode, Fowdar & Hanuman (2010) found the results of the study There was a positive relationship between market orientation on e.commerce's Service Quality Strategy. Together market orientation and service quality have a positive relationship with business performance. The following research complements previous research from Green, Chakrabarty, & Whitten (2007), where there are other variables, namely Company Performance. However, the weakness in this study is that the respondents are only 20 Managers from Stockbrokers in Mauritius. So it appears the difference from the target informant is not consumers, but this study supports current research. Where Market Orientation and Service Quality Variables

Marzieh & Marzieh's (2014) study states that there is a positive relationship between market orientation in the e.commerce Service Quality Strategy. There is also a joint positive relationship between e.commerce's Service Quality Strategy, market orientation on business performance. Fkus research studies on service companies (telecommunications) in Iran, but from the form of research models the same as previous research from Fowdar, Fowdar & Hanuman (2010). With a study of employees of one company, so that research results cannot be generalized. However, this study supports the current research that in fact between Market Orientation and Service Quality has a relationship. Samat, Ramayah, & Saad (2006) found research results The results found that employee empowerment, information and

communication, customer focus, and continuous were able to significantly influence the e.commerce Service Quality Strategy. On the other hand there is a significant relationship between the strategy of implementing market orientation with service quality. Respondents in this study were addressed not to consumers but to 175 managers of service companies in Malaysia. With the focus of research studying employee empowerment, information and communication, customer focus, and continuous which is part of human capital, which is associated with service quality and market orientation. This research still needs to be developed with informants from consumers, as has been recommended in the conclusions of the research. And this research also supports the current research in other Services, namely Hotels about studying Human Capital, Market Orientation on Service Quality.

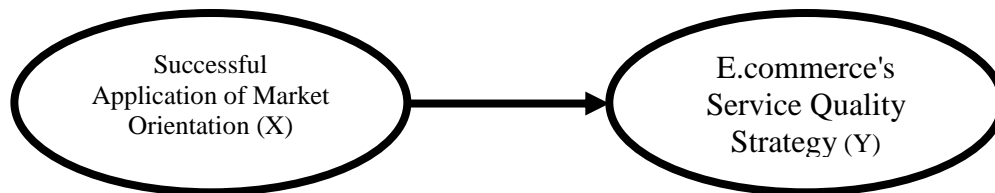


Figure 1 Research Thinking Framework, 2019

## METHODOLOGY

Quantitative methods were used this study. Data collection using questionnaires. Sampling is based on simple random sampling technique on Functional Units in Indonesia SOE's Indonesia. The data were measured using Likert scale five-point. This research was conducting by distributing questionnaires to 100 Starred hotels in Visitors on the Indonesian Island of Sumatra. Analysis tool used to simple linear regression with IBM SPSS 24.

## Measurement Model

Hair, Jr. et, al, (2014) based on the framework developed in this study, for the purpose of testing the hypothesis is made the structure of the analysis of the overall research variable which is a combination of the measurement model and structural model that describes the causality relationship between exogenous variables and endogenous variables. Hair, Jr. et, al, (2014) states that to build an indicator precisely the formative combination of indicators. If it is reflective and if a combination. Indicators represent consequences that reflect or cause constructs. if there are consequences and if formative causes. If the assessment of changes in nature, all items will change in the same way (assuming they are both coded), if it is reflective and if not formative.

## Sampling

The population in this study were hotel customers in Visitors on the Indonesian Island of Sumatera, with cluster random sampling sampling technique that is random and clustered sampling (Darmawan, 2013), considering that there are several self-service retailers in several regions (sub-districts) in Visitors on the Indonesian Island of Sumatra. Followed by a random sample method that is the selection of samples in such a way that all people in the population have the same opportunity (Darmawan, 2013), in this case the samples in predetermined self-service retail can be taken carelessly or randomly.

## Hypothesis

Starred hotels in Visitors on the Indonesian Island of Sumatra have a fairly good market orientation, with quite good service quality strategy and high competitive advantage.

Based on the above hypothesis, the statistical hypothesis can be conveyed as follows:

Hypothesis 1.a

H0:  $\mu_1 \leq 3$  Market orientation of starred hotels Visitors on the Indonesian Island of Sumatera

H1:  $\mu_1 > 3$  The market orientation of star hotels Visitors on the Indonesian Island of Sumatera

hypothesis 1.b

H0:  $\mu_2 \leq 3$  Starred human capital hotels Visitors on the Indonesian Island of Sumatera

H1:  $\mu_2 > 3$  Starred hotel human capital in Visitors on the Indonesian Island of Sumatera

Hypothesis 1.c

H0:  $\mu_3 \leq 3$  Poor service quality of star hotels in Visitors on the Indonesian Island of Sumatera

H1:  $\mu_3 > 3$  The service quality of star hotels in Visitors on the Indonesian Island of Sumatera

hypothesis 1.d

H0:  $\mu_4 \leq 3$  Competitive advantages of star hotels in lower on the Indonesian Island of Sumatera

H1:  $\mu_4 > 3$  The competitive advantage of star hotels in Visitors on the Indonesian Island of Sumatera

Used an average of one sample to test hypothesis 1 (one), to find out the average sample used 5 answer choices, then carried out statistical tests with the t test used are:

$$t = \frac{\bar{X}_i - \mu_0}{S_i / \sqrt{n}}$$



Testing the hypothesis above is a one-party test so that the test criteria are if  $t > t_{table}$  then  $H_0$  is rejected, with  $t_{table} =$  value in table  $t$  with  $\alpha / 2$  and  $dk = n-k-1$ .

## RESULTS

Table 1 Regression Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.724	1.901		5.640	.000
	Y	.260	.092	.274	2.822	.006

a. Dependent Variable: X

According to the proposed hypothesis is as follows: "There is a positive and significant effect between the Application of Market Orientation on E.commer's Service Quality Strategy of star hotels in Visitors on the Indonesian Island of Sumatra. Based on the analysis results obtained  $t$  value for the Application of Market Orientation variable of 2,822 with a significance value of 0.006 ( $0.006 < 0.05$ ). From this result it means that  $H_0$  was accepted and  $H_a$  was rejected. Therefore it can be concluded that there is a significant relationship between positive and significant influence between the Application of Market Orientation on E.commerce's Service Quality Strategy of star hotels in Visitors on the Indonesian Island of Sumatra.

To find out the contribution of independent variables consisting of Application of Market Orientation influencing the dependent variable of e-commerce's Service Quality Strategy, the value of  $R^2$  is used.

Table 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.274 <sup>a</sup>	.075	.066	1.98053

a. Predictors: (Constant), Y

The  $R^2$  value obtained is 0.075. This means that 7.50% of the variable Commerce's Service Quality Strategy will be influenced by the independent variable, namely the Application of Market Orientation. While the remaining 92.50% of e-commerce's Service Quality Strategic variables are influenced by other variables not discussed in this study.

Strategic alternatives are determined based on the results of research on market orientation, on the quality of service as follows:

1. Market orientation, operations that need to be considered include customer orientation, competitor orientation and coordination between functions in starred hotels in Visitors on the Indonesian Island of Sumatera.
2. Human Capital, operations that need to be considered include Intelligence, Creativity, Talent, Knowledge, Skills and Capabilities of human resources at star hotels in Visitors on the Indonesian Island of Sumatera
3. Service Quality, operations that need to be considered include Tangibles, Reliability, Responsiveness, Assurance, and Empathy from human resources at star hotels in Visitors on the Indonesian Island of Sumatera.

## **CONCLUSION**

In theory, the successful implementation of market orientation, e.commerce's service quality strategy, which qualifies because in competition, the company's ability to meet customer needs through an integrated internet network is very important. The company's ability to meet customer needs itself is greatly influenced by the level of quality provided by the company to customers which includes the level of comfort and affordable prices. The higher the level of quality provided by the company to customers, the higher the level of fulfillment of customer needs that is usually expressed by the level of customer satisfaction. But if there is a gap between the level of quality provided by the company and the actual needs of the customer, then there will be a problem of customer dissatisfaction which is a quality problem that must be resolved by the company because it can result in the loss of customers owned by the company. Along with advances in increasingly sophisticated technology that is increasingly developing, making businesses more self-motivated in producing low-cost leadership business strategies, product differentiation, focus on e.commerce service quality strategies in the online marketplace. In accordance with previous theory and research. Furthermore, the results of this study can be examined by other researchers by adding different variables, dimensions or indicators.

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