

THE UTILIZATION OF DIGITAL MARKETING, MARKET ORIENTATION AND PRODUCT INNOVATION ON MARKETING PERFORMANCE AND THEIR IMPACTS ON CUSTOMERS' SATISFACTION ON MC DONALD'S PALU CITY

Gusti Andika Yudhistira*, Wahyuningsih, and Muzakir

Magister Management Tadulako University

*Corresponding Author email: sparkplugchaniago@gmail.com

ABSTRACT

This research was conducted with the aim of testing and analyzing the effect of the utilization of digital marketing, market orientation and product innovation on marketing performance and their impact on customer satisfaction at McDonald's Palu City. This research was carried out using a quantitative descriptive analysis method with a sampling technique using Slovin. In this research, quantitative and qualitative data were used, and the data sources used were secondary data and primary data. The research population was the overall element of McDonald's visitors in August - December 2022 in Palu City, totaling 5,545. Based on the above calculations, the sample who became respondents of the research was adjusted to as many as 100 people or around 12% of the total visitors. Based on the research findings of the hypothesis testing that carried out in the research using partial last square analysis, it shows that the Utilization of Digital Marketing variable affects marketing performance, the Market Orientation variable affects marketing performance, the Product Innovation variable affects marketing performance, and the satisfaction variable mediates the relationship between the variables of the Utilization of Digital Marketing and Product Innovation on marketing performance while market orientation is not mediated.

Keywords: The Utilization of Digital Marketing, Market Orientation, Product Innovation, Marketing Performance and Customer Satisfaction

INTRODUCTION

McDonald's Corporation was first established in 1940 by two brothers Dick and Mac McDonald, before being purchased by Ray Kroc on April 15, 1955 and then spread to various countries in the world. In 2004, McDonald's already had 30,000 restaurants around the world where every day consumers visited an average of 50,000,000 people and visitors every day and 1,700 restaurants. The first McDonald's restaurant in Indonesia was established in Sarinah, Jakarta which officially opened on February 23, 1991. Different from McDonald's restaurants abroad, McDonald's also sells fried chicken and rice in its restaurants in Indonesia.

Due to the Covid 19 pandemic, McDonald's needs motivation to get excited again in facing the realities of life. Before the Corona Virus started to spread, McDonald's Indonesia as a fast food restaurant often distributed motivational messages to its target consumers. One of the steps taken is to convey the message through the advertisement "There is Always a Way to Realize Hope". In this McDonald's Indonesia advertisement, the message is stored through icons, indexes and symbols that depict Optimism. The results of the semiotic analysis show that McDonald's seeks to describe the ideology of optimism in the marketing communications for its Prosperity Burger product (Pintoko, 2022). The development of McDonald's cannot be separated from the company's ability to utilize information in marketing its products. This is because competition in today's business world is very tight which of course requires companies to make strategies according to the wishes and demands of consumers, with the aim that these consumers have an interest in recommending them to others.

Every company has a goal to realize its growth and survival over a long period of time. In a global era characterized by similar competition due to complex goals and high acceleration rates, companies are required to have the ability to develop strategic options in the field of marketing management so as to be able to adapt to a dynamic environment. This reality suggests that market management should use systematic steps to benefit from superior market performance.

Based on this situation, (Saidi et al., 2019) explains that consumers really expect to be able to get a high level of product or service quality but the price is cheap, so it is important for companies to develop market orientation in order to survive in a dynamic environment. Companies that focus on the market are companies that position consumers as a center for companies to operate their business (customer orientation), so that companies can continuously focus on consumers, simultaneously companies must also focus on competitors. Both of these focuses can be implemented properly if the company carries out inter-functional coordination well.

Companies that have started to understand that marketing is an important factor for their business to be successful, will see that there are new ways and philosophies in it. This new way and philosophy is called the marketing concept. As a business philosophy, the goal of the marketing concept is to satisfy the wants and needs of customers, or to focus on consumers. This is theoretically different from the previous business philosophy which focused on products and sales (sales concept) (Sholeh and Huda, 2020).

Related to this, McDonald's fast food restaurants strive to meet consumer needs. McDonald's pays attention to the strongest value and creates a strong marketing performance that refers to the conditions of the market segments that have been defined. For example, the promotional strategy used by McDonald's is to utilize advertisements on TV, hold promotional events, provide attractive bonuses according to developments in market trends, and create new menus that are popular with its customers. In addition, McDonald's uses a system that is popular with the term "QSCdan V", namely Quality, Service (customer service), Cleanliness and Value (added value given to customers).

Marketing is the activity of a company in creating, communicating, delivering and exchanging offers that have value for consumers or society. While the Internet is a media created digitally. In life, the internet is very easy to get the desired information, purchase goods, and much more that can be done with internet media. So now the internet has become an important medium for companies in making offers. From this statement the name digital marketing has been present in the digital era as it is today (Muljono, 2018). So that digital marketing is marketing through digital media in offering a brand owned by a company.

Digital marketing is an activity in the field of marketing that uses platforms on the internet to reach target consumers, then digital marketing is defined as marketing products or services via the internet or known as i-marketing, web marketing, online marketing, e-marketing, or e-commerce (Herman, 2012). Digital marketing activities are used by business people so that the application of internet media in the market increases. There are two benefits of digital marketing (Hermawan, 2012): The cost is relatively cheap because marketing using digital marketing is much cheaper and easier to reach a wider range of potential consumers than conventional advertising. The nature of digital marketing gives customers the opportunity to check and compare products more conveniently. Large information content is the use of digital marketing to provide a large and wide variety of information compared to conventional media, namely print media, radio and TV. Digital marketing can also store valid data needed by the company.

Market orientation by (Kotler, 2018) that market orientation consists of 3 measures namely consumer orientation, competitor orientation, coordination, between functions. Moreover, Market orientation is key for companies along with ever increasing global competition and changes in customer requirements where companies understand if they have to execute it must be close to the market. Market orientation is an organizational culture that is meaningful in helping develop companies to follow the market thereby offering greater value to customers, which is the key to corporate action.

(Sumiati, 2015) that market orientation is a philosophy in marketing strategy that views product sales as not dependent on sales strategy but rather on consumer decisions in buying products. Therefore, it requires proper attention to consumer orientation and competitor orientation in an effort to provide the needs and expectations of consumers by providing the best value. Furthermore (Sumiati, 2015) explains that market orientation is a single variable which is divided into three dimensions, namely:

1. Customer orientation.

Consumer orientation can be expressed through extensive monitoring of employee commitment to consumers or developing competitive strategies that refer to:

- a. Understanding of needs and management understanding of how businesses can create customer value.
- b. Customer orientation produces a different logic, which is the result of the intensity of policy-making that focuses on the market, companies have the opportunity to be able to form consumer judgments about a number of values that they build and various perceived values that will result in customer satisfaction values.
- c. must use the concept of how companies know what consumers expect and fulfill it by placing customer satisfaction and values as something important and transactions as the basis of analysis.

2. Orientation to competitors

Competitor orientation can be expressed by monitoring information about competitors and conveying it to a number of information media to all available functions within the company, for example the research and product development division or discussing it with top management, how are the strengths of competitors and the various strategies they have developed, both related to current action or future action. Companies that focus on their competitors, will always use the majority of their time to find competitors' strategies and market shares and try to find various strategies to fight them.

3. Coordination between functions.

Coordination between functions within the organization must aim to understand consumer needs by providing the best value than competitors provide, so as to create customer satisfaction. Coordination between functions aims to determine the capabilities needed by the organization in an effort to create a value chain consisting of main activities and supporting activities.

Companies must have special capabilities with individual tasks to integrate into functions that have a wider scope such as marketing, research and development capabilities. Integration between functions within the organization requires resources, especially the knowledge and skills of each employee so that they can support the organization in providing the best value for its customers.

(Kotler, 2018) there are three dimensions of product innovation namely product quality, product variants, and product style and design.

1. Product quality, the ability of a product to perform its functions consisting of durability, reliability and accuracy produced.
2. Product variants, a competitive means to differentiate one product from another, or between owned products and competitors' products.

Product style and design, another way to increase value for consumers. style only describes the appearance of a particular product, then design has a concept that is more than style. Marketing performance is a measure of a company's success in marketing its products in the market. It is a concept that is useful as a measure of company performance in marketing its products. Marketing performance is defined as a company's ability to develop marketing strategies, both implemented with the company's strengths and external factors from the company. This definition can be explained that marketing performance is a reflection of the marketing of the product or service being developed.

The five elements that concern consumers' satisfaction are:

1. Expectations, customer expectations for a product or service that are arranged before purchasing the product or service. When the purchase stage is carried out, consumers hope that the product or service received is in accordance with their expectations, desires and beliefs. If in accordance with consumer expectations then he will feel satisfied.
2. Performance, consumer experience of the actual performance of a product or service when used without being influenced by expectations. When the actual performance of a product or service is successful, consumers will be satisfied.
3. Comparison, this is done by comparing the expected performance of the product or service before purchasing with an assessment of the actual performance of the product or service. The customer will get satisfaction when the desire before buying matches or exceeds his assessment of the product's actual performance.
4. Experience, consumer expectations are influenced by customer experience regarding the use of brands of products or services that are not the same as others.
5. Confirmation and Disconfirmation, Confirmation or confirmation occurs when expectations match the product's actual performance. On the other hand, disconfirmation or unconfirmed occurs when expectations are greater or less than the product's actual performance. Customers will get satisfaction when confirmation/disconfirmation occurs.

In general, digital marketing is the use of modern technology to assist marketing activities to increase customer knowledge by adjusting customer needs and wants. Various digital marketing channels such as mobile, search engine optimization, content marketing, social media marketing and media marketing are important at this time for companies to use effectively to reach their consumers and achieve business success. Although the term digital marketing is relatively new, it has a huge impact. Become one of the key instruments in marketing performance. Digital marketing communication tools are increasingly experiencing development with each release of a new telephone model that can become a magnet to attract customer attention and expand digital opportunities, as well as make it easier for a product to enter new markets.

Companies that focus on the market begin by looking for market opportunities created by unfulfilled consumer needs. These needs are identified by listening carefully to customer demands and monitoring the technological and environmental changes that are befalling the market. From a number of opportunities, the aim is to select individuals who appear to have the most potential and are most suitable for their competence. The company then evaluates the ability to produce and marketing programs that must be implemented with reference to the resources it has. Services and products are then adjusted according to the problems the customer has. Throughout the process management is constantly getting feedback by listening to customers. Internal factors which include HR aspects, financial aspects, production/operational technical aspects, and market and marketing aspects affect the performance of micro and small businesses.

Hypothesis

1. Digital marketing positively and significantly affect marketing performance at McDonald's Palu City.
2. Market orientation positively and significantly affect marketing performance at McDonald's Palu City.
3. Product innovation positively and significantly affect marketing performance at McDonald's Palu City.
4. Digital marketing positively and significantly affect customer satisfaction at McDonald's Palu City.
5. Market orientation positively and significantly affect customer satisfaction at McDonald's Palu City.
6. Product innovation positively and significantly affect customer satisfaction at McDonald's Palu City.
7. Customer satisfaction positively and significantly affect marketing performance at McDonald's Palu City.
8. The utilization of digital marketing affects marketing performance through customer satisfaction being an intervening variable at McDonald's Palu City.

9. Market orientation affects marketing performance through consumer satisfaction being an intervening variable at McDonald's Palu City.
10. Product innovation affects marketing performance through consumer satisfaction being an intervening variable at McDonald's Palu City.

RESEARCH METHOD

This research is a quantitative approach. The quantitative research method is a type of research that has systematic, planned and clearly structured specifications from the beginning to the creation of the research design. Quantitative research methods, as stated by (Sugiyono, 2014), namely. The research method refers to the philosophy of positivism, is useful for researching on certain populations or samples, data collection uses research instruments, data analysis is quantitative/statistical in nature, with the aim of testing predetermined hypotheses, which pays more attention to patterns of Utilization of Digital Marketing, Market Orientation and Product Innovation on Marketing Performance and their Impact on Customer Satisfaction at McDonald's Palu City.

This research was conducted to determine the effect of Utilization of Digital Marketing, Market Orientation and Product Innovation on Marketing Performance and Their Impact on Customer Satisfaction at McDonald's Palu City. Thus, the object of this research is the people who have visited McDonald's in Palu City.

The population is a generalized area which includes objects/subjects that have specific quantities and attributes that are applied by the researcher to be explored and then conclusions are drawn (Sugiyono, 2014). The population in this study is the overall element of McDonald's visitors in August - December 2022 in Palu City as many as 5,545.

Based on the calculation above, the sample who became respondents in this research was adjusted to as many as 100 people or around 12% of the total inmates from January - May 2022, this was done to make data processing easier and for better test results. Sampling uses probability sampling technique; simple random sampling, in which each member of the population (visitors) has the same opportunity to be selected as a random sample regardless of the strata in the population itself. The type of data in this study consists of qualitative and quantitative data.

1. This study used data obtained directly from informants through observation and interviews. Interviews in this case were carried out in depth and observations were made by making direct observations of the data sources to be studied, and can provide a clear picture.
2. Secondary data is supporting data from primary data, namely data in the form of documentation in the form of photos, books, regulations, reports, articles, and notes relating to the object of research.

The ways to obtain the data needed in research are:

- a. Observation, is a method that is carried out through direct observation at the research location. In this case, namely at Tulung Agung McDonald.
- b. Documents are data collection carried out as supporting sources in the form of references and literature.
- c. Questionnaire, is a collection of data obtained through several lists of statements or questions that are compiled and posed to McDonald visitors.
- d. Interview, is a collection of data obtained through a direct interview process both to McDonald consumers.

This research used quantitative methods. Existing latent variables are embodied in manifest variables and parsed back into question items. Measuring the answers given by respondents using a scale will give results in the form of numbers. Then the scot will be processed using statistical methods. PLS was first popularized by Wold as a general method for predicting path models that use latent variables with multiple indicators. The PLS approach is distribution free. PLS is a powerful factor indeterminacy analysis method considering that it does not predict the data must be measured on a certain scale, the number of samples is small. PLS can also be used for theory confirmation.

RESULT AND DISCUSSION

Result

To find out whether a hypothesis is accepted or rejected can be done by paying attention to the significance value between constructs, t-statistics and p-values. In this way, measurement estimates and standard errors are no longer calculated using statistical assumptions, but are based on empirical observations. In the bootstrap resampling method in this study, the hypothesis is accepted if the significance value of the t-values is greater than 1,760 and or the p-values are less than 0.05, then H_a is accepted and H_o is rejected and vice versa. The following hypotheses are proposed:

1. The utilization of Digital Marketing affects the marketing performance of McDonald Palu City.
2. Market orientation affects the marketing performance of McDonald Palu City.
3. Product innovation affects the marketing performance of McDonald Palu City.
4. Customer satisfaction intervenes in the effect of Utilization of Digital Marketing, Market Orientation and product innovation on the marketing performance of McDonald Palu City.

Table. 1
The Result of Direct Testing

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
$X1 \geq Y$	0.326	0.325	0.051	6.388	0.000
$X1 \geq Z$	0.340	0.351	0.099	3.438	0.000
$X2 \geq Y$	0.222	0.224	0.046	4.824	0.000
$X2 \geq Z$	0.056	0.057	0.093	0.600	0.274
$X3 \geq Y$	0.067	0.065	0.038	1.754	0.040
$X3 \geq Z$	0.420	0.416	0.097	4.307	0.000
$Z \geq Y$	0.557	0.554	0.047	11.893	0.000

Data Source: Reprocessed 2022

Based on Table 1, the determination of the accepted or rejected hypothesis is explained as follows:

1. The Digital Marketing Utilization variable has a t-statistic value of 6,388 which is greater than 1,760, and the p-value is 0,000 < 0.05. Thus, the first hypothesis which states that there is an effect of utilizing digital marketing on marketing performance is proven.
2. The Market Orientation variable gets a t-statistic value of 4,824 which is greater than 1.760, and the p-value is 0.000 < 0.05. Thus, the second hypothesis which states that there is an effect of market orientation on marketing performance is proven.
3. The Product Innovation variable has a t-statistic value of 1.754 < 1.760, and a p-value of 0.04 < 0.05. Therefore, the third hypothesis which states that there is an effect of market orientation on marketing performance is proven.

4. Thus, the fourth hypothesis which states that there is an effect of using market-oriented digital marketing and product innovation on marketing performance is proven. then, the first condition for testing the intervening effect is fulfilled, and can be continued in the second stage.

The Result of Indirect Testing

At this stage, PLS-SEM analysis with intervening effects were discussed, namely the relationship between independent and dependent constructs through connecting variables. In other words, the effect of the independent variable on the dependent variable can be directly or through the connecting variable. Simultaneously testing the effect of the independent variables on the use of digital marketing, product innovation and market orientation on the dependent marketing performance. as well as the variable utilization of digital marketing, market orientation and product innovation to be dependent on marketing performance and customer satisfaction as intervening variables. In the last stage of testing if the effect of independent variables and mediation on the dependent is significant. Thus, the mediating variable is proven to mediate the effect of the independent variables on the dependent variable.

Table. 2
The Result of Indirect Testing

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 ≥ Z ≥ Y	0.189	0.194	0.056	3.359	0.000
X2 ≥ Z ≥ Y	0.031	0.032	0.052	0.603	0.274
X3 ≥ Z ≥ Y	0.234	0.231	0.059	3.983	0.000

Data Source: Reprocessed 2022

Table 4.2 shows that the t-statistic value of digital marketing utilization mediates the variable of customer satisfaction on marketing performance with a significant value of 0.00 and a statistical T value of 3,359 greater than 1,760. These results indicate that customer satisfaction mediates the relationship between digital marketing utilization and marketing performance. Market orientation is not mediated by the variable of customer satisfaction on marketing performance with a significant value of 0.27 and a statistical t value of 0.603 which is less than 1.760. These results indicate that customer satisfaction does not mediate the relationship between product innovation and marketing performance. Furthermore, the product innovation t-statistic value mediates the variable of customer satisfaction on marketing performance with a significant value of 0.00 and a statistical t-value of 3,983 which is greater than 1,760. These results prove that market orientation mediates the relationship between customer satisfaction and marketing performance.

Discussion

The Effect of using Digital Marketing on Customer Satisfaction at McDonald Palu City.

The utilization of Digital Marketing has a t-statistic value of 6,388, greater than 1,760, and a p-value of 0.00, less than 0.05. the first hypothesis which states that there is an effect of using digital marketing on marketing performance is acceptable. This means that the more intense and interesting the digital marketing is carried out by Mcd, the higher consumer buying interest in products that are sold through marketing via the website that is carried out by Mcd. The results of this research are in line with the research of Pangkey et al., (2019) which states that digital marketing variables have a significant and positive effect on purchase intention.

The Effect of market orientation on customer satisfaction McDonald Palu City.

Market orientation has a t-statistic value of 4,824 greater than 1,760, and the p-value is 0,000 <0.05. Thus, the second hypothesis which states that there is an effect of market orientation on marketing performance is proven. That is, companies that are sensitive to efforts in the form of strategies oriented to market conditions, consumer demands, customer desires will automatically be sensitive to the behavior or strategies carried out by their competitors. The development of the company's marketing is now an assumption of sensitivity to competitors. The research findings are in line with Sari's research (2020) The development of Micro, Small and Medium Enterprises (MSMEs) in Central Java Province has increased every year.

The Effect of product innovation on customer satisfaction McDonald Palu City.

Product Innovation has a t-statistic value of 1,754, less than 1,760, and a p-value of 0.04, less than 0.05. Thus, the third hypothesis which states that there is an effect of market orientation on marketing performance is proven. The results of this calculation have meaning, the better McDonald Palu City performs product innovation as indicated by producing products and production process technology, the ability to produce products according to customer wishes, developing new ideas, and developing appropriate distribution facilities, the marketing performance will increase. The results of this research are in line with the research of Lapijan et al, (2018). The research findings simultaneously show that market orientation and product innovation affect marketing performance. Individually, it shows that market orientation has a significant effect on marketing performance and product innovation has a significant effect on marketing.

The Effect of the utilization of digital marketing on marketing performance through customer satisfaction as an intervening variable at McDonald Palu City.

The test results indirectly show that the variable customer satisfaction mediates the relationship between Digital Marketing Utilization and marketing performance, the resulting effect is positive and significant. This means that of course the use of Digital Marketing plays a role as a support for the performance of an organization in completing existing work. The research results found that the utilization of Digital Marketing can change starting from existing old processes such as online ordering processes, administrative processes do not need to process queues. The results of the research are in accordance with previous research by Pradiani (2017) who said in his research that the results of research on the effect of digital marketing on customer satisfaction can be concluded that the dependent variable (customer satisfaction) is proven to be significantly affected by all independent variables (digital marketing).

CONCLUSION AND SUGGESTION

Based on the results of the analysis and discussion conducted, the following conclusions can be drawn:

1. Based on the hypothesis testing carried out in the research using the partial last square test, it shows that the Digital Marketing Utilization variable affects marketing performance.
2. Based on the hypothesis testing carried out in the research using the partial last square test, it shows that the Market Orientation variable affects marketing performance.
3. Based on the hypothesis testing carried out in the research using the partial last square test, it shows that the Product Innovation variable affects marketing performance.
4. Based on the hypothesis testing carried out in the research using the partial last square test, it shows that the satisfaction variable mediates the relationship between the variables The Utilization of Digital Marketing and product innovation on marketing performance. Meanwhile, market orientation is not mediated.

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