UDC 332

DOES MARKETING STRATEGY AND MARKETING CAPABILITY MATTER FOR MARKETING PERFORMANCE FIBA EVENT IN INDONESIA?

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ABSTRACT

This study aims to analyze the effect of marketing strategy and marketing capability on marketing performance at the FIBA Basketball international event in Indonesia. The RBV theory explains that good use of resources will increase value. The effectiveness of resource utilization is reflected in marketing performance which can be determined by a good marketing strategy and marketing capabilities. This study shows that marketing strategy and marketing capability have a positive and significant effect on marketing performance at the FIBA Basketball international event held in Indonesia. The ability to market and determine strategies is an important indicator of the success of organizing basketball sporting events in Indonesia.

KEY WORDS

Marketing strategy, marketing capability, marketing performance, sport event.

Sports have become one of the leading industries that contribute to the country's foreign exchange. According to the Republic of Indonesia Law Number 3 of 2005 concerning the National Sports System, the sports industry is defined as business activities in the field of sports in the form of goods and/or services. Currently, the development of the sports industry in Indonesia is considered promising in helping to improve the country's economy. This industry has shown its excellence in events such as the 2019 Asian Games held in Jakarta and Palembang. With a budget of IDR 30 trillion and a direct impact reaching IDR 45.2 trillion, the event generated a profit of IDR 15.2 trillion. The Ministry of Youth and Sports of the Republic of Indonesia has proposed the idea of developing the sports industry as a highly competitive creative industry in the face of globalization.

One of the crucial elements in the sports industry that can evolve into an industrial orientation is events. The Presidential Regulation Number 86 of 2021 regarding the National Sports Grand Design (DBON) states that one of the goals of DBON is to advance the national economy based on sports. The potential for development within the National Sports Grand Design, particularly in sports events, is closely linked to the advancement of technology demonstrated by the current phase of the fourth industrial revolution, known as the Industrial Revolution 4.0. The Industrial Revolution 4.0 encompasses three interconnected factors: digitalization and economic interaction, digitalization of products and services, and new market models (Rasyono, 2019).

Digitizing sports events is one of the efforts to ensure the success of this industry in the changing landscape by implementing sports marketing. Sports' marketing involves the specific application of marketing principles and processes to sports products and the promotion of non-profit sports products through association with sports. One international sports event that embraced digitalization in its execution was the FIBA Asia Cup 2022, which was held in Jakarta from July 12 to 24, 2022. The FIBA Asia Cup 2022 was also an intriguing international sports event that incorporated a hybrid audience.

Through the FIBA Social Media Activity Report (Figure 1), it showed that there was a great level of enthusiasm among spectators for the FIBA Asia Cup held in Indonesia, both in stadium and through streaming. There was an engagement of 12.5 million with 445 million impressions and 183 million video views. There was a significant increase in video views/online viewers compared to the previous FIBA Asia Cup, which had only 30-50 million views. Out of the 445 million impressions, 4.43 million impressions were from Indonesia.

Furthermore, the exposure during the FIBA Asia Cup 2022 was the highest in the history of the event, with many viewers on social media from five countries: Iran, Japan, Korea, Indonesia, and Lebanon.
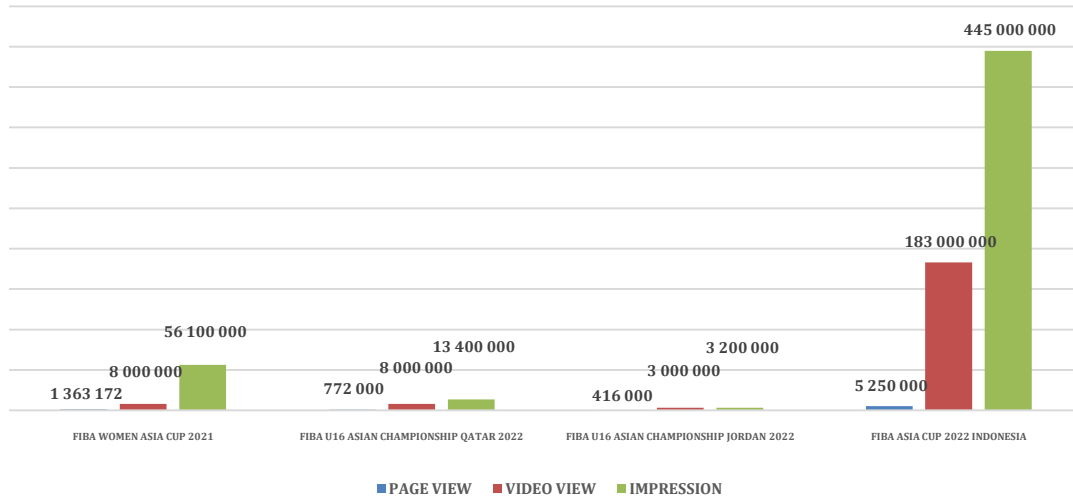

Figure 1 – FIBA Social Media Activity Report: FIBA Asia Cup 2022 Viewers
(Source: FIBA Social Media Data, 2023)

The achievements of the FIBA Asia Cup were also a result of various efforts made by the government and the organizers. Furthermore, various sport marketing initiatives were implemented, such as trophy tours to different regions in Jakarta, the appointment of local ambassador Raffi Ahmad, who is also the Chairman of Rans PIK Basketball Club, and more. These efforts demonstrate the implementation of marketing strategies and marketing capabilities during the FIBA Asia Cup 2022 event.

Marketing strategy is defined as a set of supporting elements consisting of various elements of marketing strategy programs used by businesses to achieve successful marketing processes and position their products in the market. Meanwhile, marketing capabilities refer to a series of processes aimed at increasing value-added to the resources owned by businesses, both internally and externally. By implementing effective marketing strategies and marketing capabilities, it will undoubtedly lead to good marketing performance. Marketing performance itself is used as a tool to measure the level of overall success of the performance, including the success of the applied strategies, sales growth, and company profits.

The research objective in this study is the influence of marketing strategies and marketing capabilities on marketing performance of international basketball events in Indonesia, specifically the FIBA Cup Championship. This research is expected to uncover the marketing strategies employed by the FIBA Cup committee to successfully execute the championship. The study objective to investigate the effect of marketing strategy and marketing capability on marketing performance in organizing the FIBA international basketball event in Indonesia.

LITERATURE REVIEW

Based on Resource-Based Theory (RBV), Lagat & Frankwick (2017) explain that theory is based on the notion that each company possesses different resources, varying in levels and quality. Some of these resources are difficult to imitate or replace, making it challenging or nearly impossible for other companies to replicate the strategies used by competitors. Competitors with the largest resources must have the greatest competitive advantage in producing and delivering products to the market. However, the market is not

static, so companies that can modify the configuration of their resources most quickly to meet the needs of the evolving market will have the greatest competitive advantage (Teece et al., 1997).

In the Sport industry, a study conducted by Sarlab et al. (2020) on the influence of competitive environment on the performance of sports product brands demonstrated a positive relationship between competitive environment and the performance of sports product brands. Moreover, there was a positive relationship between competitive environment and marketing strategies, as well as a positive relationship between marketing strategies and the performance of sports product brands.

Research on the measurement of interest indicators in watching Major League Baseball in the USA, conducted by Lim & Pedersen (2022), indicated that variables related to playoff appearances of home and away teams, game schedules, season progress, ticket prices, stadium capacity, and uncertainty of the matches, reflecting service quality and marketing capability, have an influence on the level of interest in watching baseball events. The indicators of marketing strategies and marketing capabilities in the sports field play a strong and essential role in the performance and quality of sports marketing itself.

This study refers to several studies such as the study by Lagat & Frankwick (2017) revealed that the effective implementation of marketing strategies positively moderates the influence of marketing capabilities on market performance and financial performance of SMEs. Additionally, Suciati (2020) in her study titled "Marketing Capabilities in Enhancing Marketing Performance in Coffee Shops" found a significant influence of marketing capabilities on the marketing performance of coffee shops in Sukabumi. Furthermore, Hidayati (2021) on the Application of Marketing Mix Strategies on Consumer Purchase Intention of Student Businesses in Higher Education indicated a positive and significant influence of marketing mix on consumer purchase intention in student businesses.

A marketing strategy which is market-oriented is a process and activity that relates to the creation and satisfaction of customers by continually assessing their needs and desires. A market-oriented company is one that considers customers as the focal point of its business operations. The findings of this research are in line with studies conducted by Lagat & Frankwick (2017) and Christian (2016), which state that marketing strategies have a positive and significant impact on marketing performance variables. Therefore, the first hypothesis for this study is marketing capability has a positive and significant influence on marketing performance at FIBA international Basketball event in Indonesia.

The effect of marketing capabilities on marketing performance refers to studies by Suciati et al., (2020), Yanuarti, (2019), Lagat & Frankwick, (2017) and Krush et al., (2016) describe the influence of marketing capability will increase marketing performance. Marketing capability, which is reflected in the quality of services provided and the capacity of human resources in the field of marketing, is an indicator that determines the targets and objectives of marketing, both in the case of manufacturing companies, services and the MSME industry. Therefore, the second hypothesis on this study is marketing strategy has a positive and significant influence on marketing performance at FIBA international Basketball event in Indonesia.

METHODS OF RESEARCH

A quantitative research method was adopted to determine the data and transform it into numerical information from the information collected from the online questionnaire (Creswell, 2016). The technique used for data collection is non-probabilistic purposive sampling technique and using Likert scales (Sugiyono, 2013). The population to be studied in this research consists of all spectators of the international basketball event, the FIBA Cup, held in Indonesia, including both live spectators and those who watch the event through streaming. The sample for this study utilizes random sampling technique, as the sampling is done randomly from the population while considering the existing strata within the population such as organizers, responsible parties, spectators, and others, using a questionnaire method. Using SmartPLS 4 software was used to analyze the data and to determine numerical data

collected from the respondents through an online survey to distribute the questionnaire to 200 respondents. The survey questionnaire's structure was adapted from previous researchers' influence factors listed in marketing strategy, marketing capabilities and marketing performance.

RESULTS AND DISCUSSION

Table 1 show the respondent overview on this study which consists from gender, education, ages and domicile. The data of the respondents collected aims to ensure that the respondents meet the criteria for the research sample and can be representative.

Table 1 – Respondent Overview

Description		Total Respondent	Percent (%)
Gender	Male	128	64
	Female	72	36
Education	Junior High School	2	1
	Senior High School	58	29
	Diploma	12	6
	Bachelors and Masters degree	120	60
	Doctoral Degree	4	2
Age	17-20	8	4
	21-20	56	28
	31-40 years	74	37
	>40 years	62	31
Domicile	Jakarta Area	58	29
	Outside Jakarta	142	71

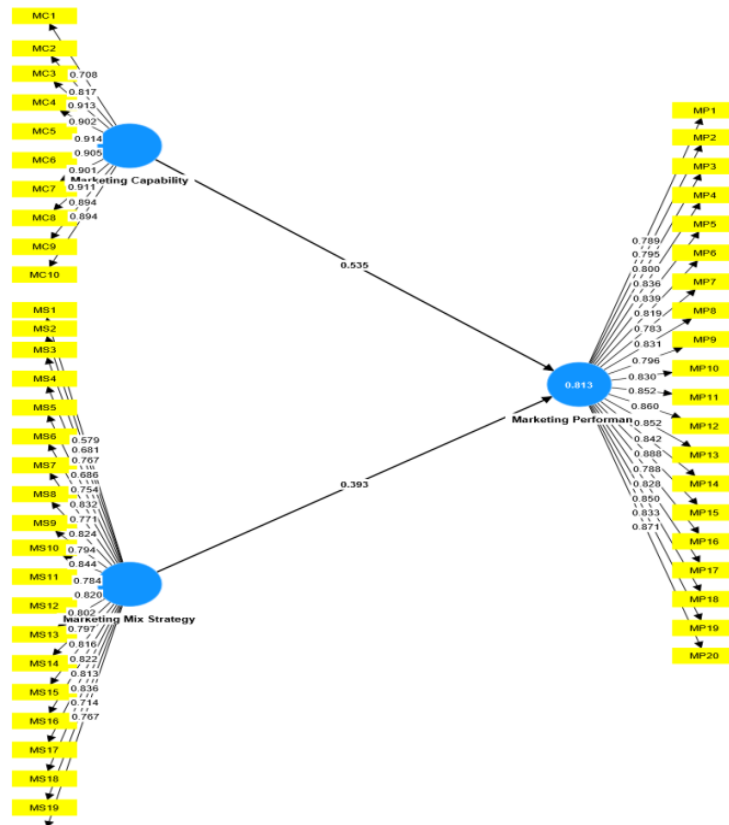*Source: Primary Data Processed, 2023.*

Figure 2 – Final Path Model of Hypothesis Testing Results (Source: Primary Data Processed, 2023)

Figure 2 shows the t-statistics values and path coefficient values for each latent variable in cognitive bias. In this case, it indicates the strength of the relationships between latent variables. Specifically, the path coefficient values of the latent variable endogenous

marketing strategy to marketing capability and marketing strategy to marketing capability have significant effects, implying that these variables can be interpreted as all endogenous latent variables having a substantial impact on marketing performance.

Table 2 – Hypothesis Testing Results of Cognitive Bias Latent Variables

Latent Variable	Original Sample	t-Statistics	P Values	Description
MC -> MP	0.535	5.441	0	Significant
MS -> MP	0.393	4.143	0	Significant

Source: Primary Data Processed, 2023.

Based on Table 2, hypothesis testing of the latent variables cognitive bias and emotional bias was conducted using the bootstrapping method as a tool to help reduce the unreliability associated with normal distribution errors and its usage (Efron, 1979). Hypothesis testing (γ and λ) was performed through bootstrap resampling with a minimum of 500 bootstraps. In addition to testing the path coefficient, which indicates the magnitude of the relationship between the endogenous latent variables' cognitive bias and emotional bias on marketing performance, it can be observed through the t-statistics value. In this case, the hypothesis (t-statistics) is considered significant if the t-statistics value is greater than the 1.65 t-table value (at a 10% level of significance).

The marketing capability variable's effect on marketing performance obtained t-statistics value lower than the t-table value, specifically 5.441 more than 1.65. Therefore, it can be concluded that marketing capability has a significant influence, and thus the hypothesis for this variable or the first hypothesis is accepted. Meanwhile, the test results for this variable obtained a path coefficient of 0.535, which is positive. This means that every one-unit increase in marketing capability will result in a 0.535 increase in marketing performance. The findings of this study support the research conducted by Ehrensperger et al. (2022) in their study on the sports industry, which stated that marketing capability has an impact on marketing performance.

Based on the latent variable of marketing strategy on marketing performance, t-statistics value higher than the t-table value was obtained, specifically 4.143 more than 1.65. Therefore, it can be concluded that the marketing strategy has a significant influence on marketing performance, and thus the hypothesis for this variable, or the second Hypothesis is accepted. Meanwhile, the path coefficient value is 0.393 and is positive, indicating that for every one unit increase in marketing strategy, there will be a corresponding increase of 0.393 in marketing performance. This result supports the research conducted by Sarlab et al. (2020) on managers, staff, distributors, shop assistants, manufacturers of Iranian sports goods, and sport products in Tabriz, which stated that marketing strategy has an impact on marketing performance.

CONCLUSION

The conclusion of this study shows that marketing strategy has a positive and significant influence on marketing performance. This implies that product, price, promotion, and people dimensions are important factors in improving marketing performance. Meanwhile, the marketing capability factor has a positive and significant influence on marketing performance. This implies that the dimensions of service speed and the ability of the organizing committee are important things that affect marketing performance. The implications of these findings show that important to maintain service quality and improve the quality of human resource capabilities to international events implementation for Indonesia and improve FIBA trusted to Indonesia as a future organizer.

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