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The Effect of Spiritual Marketing and Entrepreneurship Orientation on Determining Sustainable Competitive Advantage

Ahmad BAMBANG¹, Andriani KUSUMAWATI², Umar NIMRAN³, Suharyono SUHARYONO⁴

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Abstract

The purpose of this study is to apply Structural equation modeling (SEM) analysis with Generalized Structured Component Analysis (GSCA) and translate the effect of Spiritual Marketing and Entrepreneurial Orientation on Sustainable Competitive Advantage with Marketing Capabilities as Mediation, especially for General BBM marketing at PT. Pertamina (Persero). The quantitative approach in this study uses a survey method by taking samples from the population. The survey was conducted by distributing questionnaires to respondents. Data analysis was performed using SEM and analyzed using the GSCA model. The population of this study consisted of 3,207 workers in central and regional marketing offices (Marketing Operation Region (MOR) spread throughout Indonesia. Therefore, a sample of 356 respondents was taken according to the Slovin formula. Spiritual marketing and entrepreneurial orientation directly influence the ability to improve Innovation which directly influences sustainable competitive advantage. Therefore, to develop a sustainable competitive advantage in marketing Pertamina's General BBM, it is necessary to implement spiritual marketing and improve entrepreneurial orientation. The novelty in this study lies in the unprecedented research on the role and position of spiritual marketing towards marketing capabilities and sustainable competitive advantage, combined with entrepreneurial orientation variables.

Keywords: Spiritual Marketing, Entrepreneurial Orientation, Marketing Capability, Sustainable Competitive Advantage, PT Pertamina (Persero)

JEL Classification Code: M31, Z33, L30

1. Introduction

PT. Pertamina (Persero) is a state-owned enterprise that runs enterprises in the field of oil and gas mining in Indonesia. The company processes and distributes fuel and gas including LPG all over the nation. The distribution and marketing of fuel and LPG in Indonesia had been exclusively

handled by Pertamina as stipulated in Act number. 8 of 1971. The stipulation of Act number. 22 of 2001 has allowed the retail oil and gas distribution and marketing to be open for the public, with a transition period of 5 years. Therefore, since 2006, several domestic and foreign capital companies have started to penetrate the business, including retail and corporate fuels (industrial, marine, and Aviation).

Pertamina currently operates more than 109 fuel Terminals, 21 LPG Terminals, and 62 Aircraft Filling Depots (DPPU) to store fuel & LPG. The company also owns more than 5,350 gas stations, mostly privately-owned, 1,250 APMS, 12,250 LPG agents, and more than 122,500 LPG bases. Pertamina also has more than 250 ships, 5 units of aircraft, 6 series of trains, 1,624 Km of fuel pipes (natural gas pipes are excluded), and 3,000 tankers (not including LPG transport trucks/pickups to agents and bases) to distribute fuel and LPG. The increasingly fierce competition in this field (retail and corporate) has reduced the market share of Pertamina, causing the profitability to continue shrinking significantly since 2017 for the general fuel sector.

¹First Author and Corresponding Author. Faculty of Administrative Science, Brawijaya University, Indonesia [Postal Address: Jl. Veteran, Ketawanggede, Kec. Lowokwaru, Kota Malang, Jawa Timur 65145, Indonesia] Email: ahmadbambang@student.ub.ac.id

²Faculty of Administrative Science, Brawijaya University, Indonesia. Email: andriani.ub.jp@gmail.com

³Faculty of Administrative Science, Brawijaya University, Indonesia. Email: umar.nimran.ub@gmail.com

⁴Faculty of Administrative Science, Brawijaya University, Indonesia. Email: suharyonosuhar.ub@gmail.com

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Fortune, a popular magazine that publishes the annual ranking of the top 500 corporations worldwide as measured by revenue, issued the list of 500 largest global companies in July 2013. For the first time, the Indonesian state-owned energy company, PT. Pertamina (Persero), was on the list and ranked 122. Pertamina is the only Indonesian company listed in the Fortune 500 list. Currently, Pertamina's rank in the Fortune Global 500 has also shrunk to 175. Super intense local, national, and global competitions require companies to build competent and competitive business strategies. These strategies relate to the ability to innovate (marketing) and entrepreneurial orientation (entrepreneurship). Both of these are key to building sustainable competitive advantage.

Most companies are generally established with a competitive advantage or certain criteria and standards are applied to develop a competitive advantage. Developing competitive advantage is often done by applying business efficiency. After developing a clear competitive advantage, a company should offer what other companies cannot offer. For a sustainable competitive advantage, a company must be able to create innovations or make exclusive products. After identifying the potential competitive advantages, research should be conducted to determine the proper strategy to achieve the desired targets quickly, precisely, and accordingly. In this case, competitive advantage is usually only accessible through certain target markets with certain products or services or certain locations. Such a business strategy is expected to help a company figure out high demand products and consumer targets for both short and long term goals.

More importantly, if an ongoing business has competitive resources and advantages over its competitors, as long as proper strategies are applied and various resources and capabilities are exploited effectively, the business will likely stay competitive. Competitive advantage can be maintained by taking into account durability, replicability, and feasibility. Some indicators are used to measure competitive advantage including uniqueness, exclusiveness, replicability, irreplaceability, and competitive prices. The uniqueness of a product relates to the value of art that goes with customers' preferences. Competitive price refers to the ability of companies to adjust the price of their products to the average prices on the market. Irreplaceability is related to how a product can stay exclusive. Replicability deals with how a product cannot be perfectly imitated. Irreplaceability shows that no other similar products can replace certain products.

Spiritual marketing as explained by Alifahmi (2006) is a marketing strategy and is the ability to understand and meet the needs, desires, and expectations of others (customers, employees, and other clients, and all those related) and based on values taught by the God (morality, ethics, honesty,

responsibility, fairness, togetherness, etc). Similarly, Tresnati et al. (2011) said that spiritual marketing employs the language of the heart to determine the best direction. The focus of spiritual marketing is not merely on profit (profit-oriented), but also on worship values, such as sympathetic marketing, heart-touching teachings, and morality as forms of worship to God. Spiritual marketing does not only influence a company's marketing strategy but also affects employees' ways of thinking.

Entrepreneurship orientation according to Drucker (1985) is an ability to create something new and different. Schumpeter (1951) supported the opinion that entrepreneurship is the main factor driving national development with its marketing function. Entrepreneurs are innovators instead of merely inventors. An entrepreneur is a person who regulates the allocation of resources in making inventions that may have been existing before. Entrepreneurs create new combinations of factors influencing production. There are at least 5 types of innovations an entrepreneur can do: (1) Introducing a new product, or improving the existing products, (2) Introducing new production methods, (3) Opening new markets, especially export markets (4) Enhancing the use and procurement of new raw or semi-finished material supplies, and (5) Implementing new industrial organization system.

Spiritual marketing and entrepreneurial orientation directly influence company innovation capabilities which also directly affect sustainable competitive advantage. Therefore, the sustainable competitive advantage of Pertamina's general fuel marketing should be done based on spiritual marketing and its entrepreneurial orientation should be improved. In this study, SEM analysis in the form of GSCA was performed and the effect of spiritual marketing and entrepreneurial orientation on sustainable competitive advantage with innovation capabilities as the intervening variable was elaborated concerning the marketing of general fuel of PT. Pertamina (Persero). Business strategies are applied to develop company sustainability through investment and innovation funded by the company profit. However, sustainability is not enough as companies must bring meaning and benefit to humans and their environment (beneficially). This need underlie the emergence of spiritual marketing.

This study analyzed in-depth the condition of Pertamina's general fuel marketing. The concepts and theories of sustainable competitive advantage were developed according to the condition of Pertamina's general fuel marketing. This study is a follow up of prior studies done on entrepreneurship and marketing orientation since there is still a research gap. Some types of research have found significant positive influence between entrepreneurship and marketing, yet information about the role and position of spiritual marketing

and how innovation affects competitive advantage including profitability and competencies in the company have not been explored. The novelty in this study lies in the unprecedented research on the role and position of spiritual marketing toward marketing competency and sustainable competitive advantage that include entrepreneurial orientation.

2. Literature Review

The concept in this study includes spiritual marketing (spiritual marketing), entrepreneurship orientation, and marketing capability related to sustainable competitive advantages. This study presents a theoretical review and empirical review. The theoretical review explains the meaning, definition, and concept of each *h* variable based on landmark theory. Furthermore, the presentation of the relationship between variables based on empirical research is derived from the results of prior relevant studies. The following is a more detailed explanation of each variable and its theoretical concept.

2.1. Sustainable Competitive Advantage

Sustainable competitive advantage shows a company's ability to develop better business performance than competitors in the same industry by utilizing its assets and competencies. There are two theories on competitive strategies that can influence competitive advantage, one of which was conveyed by Porter (1998), called positioning theory which is based on the concept that there are five forces that determine the competitive intensity and attractiveness of an industry. The strategy covers selecting the proper position, creating mild competitive pressure, or adopting certain actions to compete with other companies to gain maximum profit. Another view was introduced by Wernerfelt (1984) and emphasized by Prahalad and Hamel (1994) in which a company's competencies are divided into core and non-core competencies. They proposed that competitive advantage must be built based on competencies adjusted to the tangible and intangible resources. Companies that have strong entrepreneurial characteristics are agile in investigating the markets and are likely to respond faster than other competitors (Lee & Hsieh, 2010).

2.2. Marketing Capability

Drucker (1985) considers the ability to innovate (marketing capability) as the ability to provide resources in the form of new abilities to gain more profit by turning it into a productive factor. Marketing capability can be developed through training and research as it does not automatically develop. Innovation is characterized by two stages, namely, discovery and commercialization. Porter argues that the

innovation process cannot be separated from business strategies and competitive environment (Afuah, 1998). In other words, innovation is what drives an organization to integrate technology, organization, and market changes to maintain its market expansion (Tidd et al., 1997).

Innovations can be distinguished based on different standards, for example, administrative and technological innovation; product and process innovation; and radical and incremental innovation. Among these categorizations, administrative and technological innovation are appealing. These types of innovation include social and technological structural factors (Downs & Mohr, 1976; Knight, 1967; Rowe & Boise, 1974; Damanpour, 1991). Furthermore, Weerawardena (2003) considers that a company needs to develop technological innovations as well as non-technological innovations simultaneously. Researchers categorize marketing capabilities into product innovation, process innovation, managerial innovation, and marketing innovation (Lee & Hsieh, 2010). Innovation is a tangible manifestation and key to the success of a sustainable business (Shmelev et al., 2018; Chamidah et al., 2020).

2.3. Spiritual Marketing

Spiritual marketing focuses primarily on fulfilling God's will. God wants humans to meet the needs and desires of his creatures. This means the products and services that are sold should be beneficial to the community. God also does not want to harm any creature, thus spiritual marketers need to sell products that do not harm others. This concept is clearly God-oriented. It is important to believe that everyone will get something in return from God in the fairest way.

2.4. Entrepreneurship Orientation

Entrepreneurship is a concept of independence that has been widely studied by previous researchers. Leibenstein (1968, 1979) proposed entrepreneurship as the activities needed to create or carry on an enterprise where not all the markets are well established or clearly defined and in which the relevant parts of the production function are not completely known. Bygrave (1993) defined entrepreneurial activity as an activity that includes the identification of opportunities in the economic system. Bull and Willard (1993) stated that an entrepreneur always tries to predict and respond to market changes. Hence, entrepreneurs have to be capable of dealing with uncertainty in a dynamic market. An entrepreneur must be able to carry out managerial functions such as supervision and providing direction. A study on entrepreneurship and entrepreneurial satisfaction found that a CEO's entrepreneurship must be high to improve enterprise satisfaction (Lee & Kim, 2019).

Entrepreneurship is an important factor that influences a sustainable competitive advantage. This is also an important factor in marketing which depends on the level of marketing ability of entrepreneurs (Weerawardena & O’Cass, 2004). Market orientation as the initial step for marketing and planned marketing capabilities is an important means for entrepreneurs because it can change the environment related to the feasibility to open up new businesses and/or services (Drucker, 1985).

3. Methodology

This research was conducted using a positive (quantitative) approach. Quantitative research employs deductive thinking in formulating research hypotheses. This study employed a survey method, in which samples were selected from a large population. The unit of analysis of this research was employees of PT Pertamina (Persero). The research population included employees and leaders who worked in central and regional marketing offices (MOR) across Indonesia. A restricted probability sampling technique was administered to select research samples. Restricted probability sampling is a technique of selecting units with equal probability, allowing one unit to be selected for samples more than once (Sekaran, 2003). To determine the number of samples (sample size), the researchers used the Slovin formula as cited by Umar (2003) as follows:

$$n = \frac{N}{1 + Ne^2} = \frac{3.207}{1 + (3.207)(0,0025)} = \frac{3.207}{9,02} = 355.64 \approx 356$$

Remarks :

n = sample size

N = population size = number of employees of UPMS PT. Pertamina (Persero)

e = margin of error

The samples of this study were employees and leaders who worked in central and regional marketing offices

(MOR) in regions I to VIII PT. Pertamina (Persero). With a population of 3,207, the minimum sample size based on Slovin’s formula with a tolerance level of 5% is 356 respondents. A quantitative approach was used in data analysis that included descriptive statistical analysis and inferential statistical analysis.

Data analysis was also performed using the GSCA model for the following reasons: (1). The analytical method is robust and does not require many assumptions, making it possible to analyze a series of latent variables simultaneously. (2) There is no need to use large samples. (3) The number of item indicators in the structural model contributes to confirming the uni-dimensionality of each latent variable as in the GSCA application (Solimun, 2012).

The conceptual framework of this study connects the variables, where spiritual marketing and entrepreneurial orientation affect sustainable competitive advantage through marketing capability.

Referring to the conceptual framework and the hypothesized research model explained above, the theoretical influence between variables in research can be explained as follows.

Effects of Spiritual Marketing on Marketing Capability.

No research has investigated the effect of spiritual marketing on marketing capability. Thus, this study is worth conducting to find out whether spiritual marketing can affect the marketing capability of a company.

H1. Spiritual Marketing significantly affects Marketing Capability

The Effects of Spiritual Marketing on Sustainable Competitive Advantage.

No research has found the effect of spiritual marketing on sustainable competitive advantage. Thus, it is interesting to find out whether spiritual marketing affects the sustainable competitive advantage of a company.

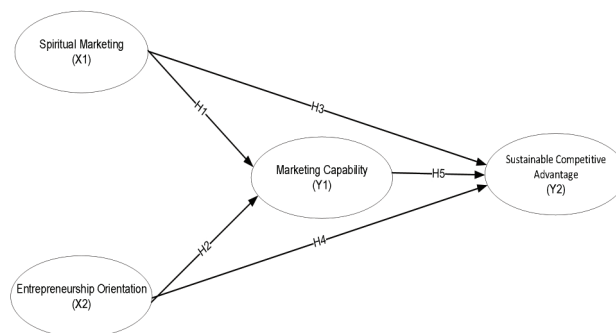


Figure 1: Conceptual Framework

H2. Spiritual Marketing significantly affects Sustainable Competitive Advantage

The Influence of Entrepreneurship Orientation on Marketing Capability. Ferreira et al. (2018) in their research defined dynamic capabilities as the potential for systematic problem solving, made possible by its tendency to perceive opportunities and threats, to make on-time decisions, and implement strategic decisions to come up with various changes efficiently, thereby ensuring the right direction. Furthermore, the ambidexterity view explores the indirect impact of exploitative and explorative capabilities through creativity and innovation competence and found those variables influence sustainable competitive advantage and company performance.

Alshanty and Emeagwali (2019) analyzed the roles of market sensing, knowledge creation, strategic entrepreneurial orientation, and innovation in small and medium enterprises (SMEs). SEM result illustrates a positive effect of market-sensing capability on (1) knowledge creation, and (2) firm innovation. The knowledge creation process has a positive effect on (3) firm innovation. Knowledge creation process (4) mediated the link between market-sensing capability and firm innovation. Strategic entrepreneurial-orientation moderates the link between (5) knowledge creation and firm innovation, such that the positive relationship became weaker when strategic entrepreneurial-orientation is high. Theoretically and empirically this study has contributed to the existing inconsistent findings, and also offers useful managerial insights.

Hughes et al. (2020) examined the multilevel entrepreneurial orientation model by conceptualizing its effect on the business unit's radical innovation and financial performance, moderated by the business unit's R&D resources and absorptive capacity. The results of the study supported the theoretical expectations and provided comprehensive knowledge about the multilevel effects of entrepreneurial orientation and the conditions for turning entrepreneurial orientation into actual innovation activities to make a profit.

H3. Entrepreneurial Orientation significantly affects Marketing Capability

The Influence of Entrepreneurship Orientation on Sustainable Competitive Advantage. Pratono et al. (2019) examined the role of inter-organization learning in changing the green entrepreneurship orientation and market orientation for greater competitive advantage. The results showed that there is a strong tendency that the inter-organizational learning plays a pivotal role as an intervening variable that operates by receiving the input from green entrepreneurial

orientation and market orientation, which plays as the exogenous construct. Hence, greater inter-organizational learning leads the firms to achieve a greater sustainable competitive advantage.

Monteiro et al. (2017) investigated the effect of intangible resources and entrepreneurial orientation in export performance, by examining the mediating effect of dynamic capabilities. A framework of export antecedents is developed and empirically tested. A survey of 265 Portuguese exporting companies shows that dynamic capabilities and entrepreneurial orientation directly impact export performance while financial, informational, and relational resources have an indirect impact on export performance through dynamic capabilities

Ritonga (2019) revealed how the entrepreneurship orientation and sustainable competitive advantage affected the performance of micro and small food and beverage businesses in Padang. This descriptive and associative research indicated that entrepreneurial orientation this study indicates that entrepreneurship orientation significantly affects competitive advantage, entrepreneurship orientation significantly affects the performance of micro and small enterprises, and competitive advantage significantly affects the performance of micro and small enterprises.

H4. Entrepreneurial Orientation significantly affects Sustainable Competitive Advantage

The Influence of Marketing Capability on Sustainable Competitive Advantage. Prakoso (2005) determined whether there was a meaningful influence between market orientation, innovation, and learning orientation on the company's performance in achieving competitive advantage. The results of the data analysis accepted all the research hypotheses proposed, meaning that market orientation, innovation, and learning orientation influence a company's performance in achieving competitive advantage.

Sugiyarti (2015) developed a conceptual model of competitive advantage. The theoretical findings in this study added up to the literature related to competitive advantage. Whereas, the managerial findings in this study showed that learning orientation, market orientation, and product innovation had a significant effect on competitive advantage.

Aziz and Samad (2016) examine the influence of innovation on competitive advantage in food manufacturing SMEs in Malaysia and the moderating effects of firm age on the innovation-competitive advantage relationship. The study revealed that innovation has a strong positive impact on the competitive advantage, in which innovation contributes 73.5 percent variance in competitive advantage. The results indicate that SMEs should invest in innovation to gain a competitive advantage.

H5. Marketing Capability significantly affects Sustainable Competitive Advantage

4. Results and Discussions

4.1. Analysis

In this study, the SEM approach with GSCA software was employed to estimate the parameters of the model. Before estimating the parameters, it was necessary to check the validity and reliability of each questionnaire item on each variable. Validity testing ensured that the research data used were correct, while reliability was measured to ensure that the instruments used are correct in measuring the intended variables. All variables have been analyzed for validity and reliability and it can be concluded that Spiritual Marketing (X1), Entrepreneurial Orientation (X2), Marketing Capability (Y1) and Sustainable Competitive Advantage (Y1) variables are valid and reliable.

Table 1 shows that all latent variables have good and decent indicators. The best indicator for spiritual marketing variables is ethical (*akhlaqiyah*) with the biggest loading factor of 0.8127. The best indicator for entrepreneurship orientation is competitive aggressiveness which has the biggest loading factor, 0.8270. While the best indicator for marketing capability is marketing innovation with a loading factor of 0.8873. The two indicators that make up the sustainable competitive advantage variable are equally good with a loading factor value of 0.9444 and 0.9410.

The research model proposed in this study should obtain the Goodness of Fit test. The feasibility of the research model was measured by calculating the values of FIT, AFIT, GFI, and SRMR. FIT and AFIT tests were run to measure structural models that are equivalent to the total determination coefficient on path analysis or PLS. The total diversity of all variables that can be explained by the structural model is indicated by the FIT value. Meanwhile, the FIT value ranges from zero to one. Test criteria are based on FIT values, in which greater the value of FIT (close to one) indicates greater total diversity that can be explained by the model. The AFIT value is equivalent to the adjusted coefficient of determination (R-square adjusted) in the regression analysis. AFIT values can be used for model comparisons. AFIT value in one model which is higher than other models shows that the model is the best model to use.

The general feasibility test had been performed, while the results of the GFI and SRMR test, FIT, AFIT, and SRMR are presented in Table 2.

The structural feasibility test resulted in the structural model measured using FIT and AFIT, an FIT obtained a value of 0.5706 and AFIT showed a value of 0.5678. The FIT value explains that the total diversity, 57.06% can be explained by the variables discussed in this model, and the remaining 42.94% can be explained by other variables that were not discussed in this model. Regarding the results of the FIT, AFIT, GFI, and SRMR, it can be concluded that the model used is good (good fit).

Table 1: Model Measurement Evaluation

Variable	Indicator		Loading Factor	P-value	Information
Spiritual Marketing (X1)	Theistic (Rabbaniyyah)	X11	0.7998	<0.001	Significant
	Ethical (Akhlaqiyah)	X12	0.8127	<0.001	Significant
	Realistic (al-waqiah)	X13	0.6994	<0.001	Significant
	Humanistic (Al-Insaniyyah)	X14	0.7832	<0.001	Significant
Entrepreneurship Orientation (X2)	Creation	X21	0.8004	<0.001	Significant
	Risk-Taking	X22	0.7978	<0.001	Significant
	Proactive	X23	0.8045	<0.001	Significant
	Competitive Aggressiveness	X24	0.8270	<0.001	Significant
	Autonomy	X25	0.7748	<0.001	Significant
Marketing Capability (Y1)	Product Innovation	Y11	0.8721	<0.001	Significant
	Process Innovation	Y12	0.8337	<0.001	Significant
	Managerial Innovation	Y13	0.8710	<0.001	Significant
	Marketing Innovation	Y14	0.8873	<0.001	Significant
Sustainable Competitive Advantage (Y2)	Market Viewpoint	Y21	0.9444	<0.001	Significant
	Strategy	Y22	0.9410	<0.001	Significant

Table 2: The Results of Fit Structural Model Measurement

Parameters	Measurement	P-Value	Criteria	Conclusion
FIT	0.5706	0.0000	P < 0.05	Significant
Adjusted FIT (AFIT)	0.5678	0.0000	P < 0.05	Significant
GFI	0.9871	0.0000	P < 0.05	Significant
Standardized Root Mean Square (SRMR)	0.1929	0.0000	P < 0.05	Significant

Table 3: The Results and Estimation of the Direct Measurement

Hypothesis	Influence Between Latent Variables			Coefficient	p-Value	Conclusion
	Var. Cause	→	Var. Consequence			
H1	Spiritual Marketing (X1)	→	Marketing Capability (Y1)	0.2936	<0.001	Significant
H2	Spiritual Marketing (X1)	→	Sustainable Competitive Advantage (Y2)	0.0849	0.12697	Not significant
H3	Entrepreneurship Orientation (X2)	→	Marketing Capability (Y1)	0.3566	<0.001	Significant
H4	Entrepreneurship Orientation (X2)	→	Sustainable Competitive Advantage (Y2)	0.0860	0.12074	Not significant
H5	Marketing Capability (Y1)	→	Sustainable Competitive Advantage (Y2)	0.1865	0.00266	Significant

Parameters that show a causal relationship to other latent variables were measured. A causal relationship is declared insignificant if the p-value is <0.05. Table 3 is a summary of the results of the coefficient calculation in the GSCA-SEM analysis.

The influence of Spiritual Marketing (X1) and Entrepreneurship Orientation (X2) on Sustainable Competitive Advantage (Y2) through Marketing Capability (Y1) as a mediating variable is shown in Figure 2 below.

The Influence of Spiritual Marketing on Marketing Capability

A p-value of <0.005 rejects the H0. Therefore, the Spiritual Marketing variable (X1) has a significant positive effect on the Marketing Capability variable (Y1). Therefore, better Spiritual Marketing will increase Marketing Capability as shown by the path coefficient of 0.2936 and p-value <0.001.

The Influence of Spiritual Marketing on Sustainable Competitive Advantage

A p-value > 0.005 accepts the H0. Therefore, the Spiritual Marketing variable (X1) has a non-significant positive effect on the Sustainable Competitive Advantage variable (Y2). Hence, better Spiritual Marketing will not necessarily increase the Sustainable Competitive Advantage, as shown by the path coefficient of 0.0849 with p-value = 0.1270.

The Influence of Entrepreneurial Orientation on Marketing Capability

A p-value of <0.005 rejects the H0. Therefore, the Entrepreneurship Orientation variable (X2) has a significant positive effect on the Marketing Capability variable (Y1). Thus, higher Entrepreneurship Orientation will be followed by stronger Marketing Capability as shown by the path coefficient of 0.3566 with a p-value <0.001.

The Influence of Entrepreneurial Orientation on Sustainable Competitive Advantage

A p-value of > 0.005, accepts the H0. Therefore, the Entrepreneurship Orientation variable (X2) has a non-significant positive effect on the Sustainable Competitive Advantage variable (Y2). It indicates that stronger Entrepreneurship Orientation will not necessarily increase Sustainable Competitive Advantage as shown by the path coefficient of 0.0860 and p-value = 0.1207.

The Influence of Marketing Capability on Sustainable Competitive Advantage

A p-value <0.005 rejects the H0. Therefore, the Marketing Capability variable (Y1) has a significant positive influence on the Sustainable Competitive Advantage variable (Y2). The higher the Marketing Capability, the higher the Sustainable Competitive Advantage with a coefficient value of 0.1865 and p-value = 0.0027.

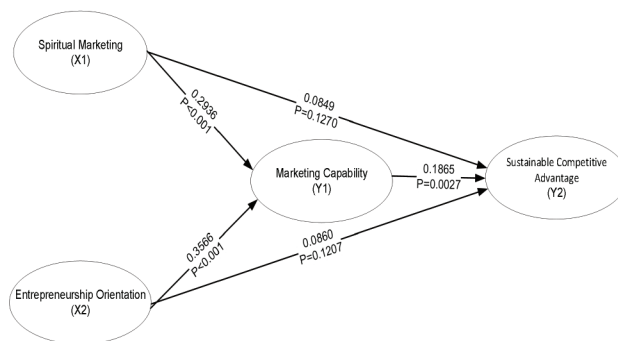


Figure 2: Direct Influence

Table 4: Results of Estimation and Measurement of Indirect Influence

Mediation Effect	Coefficient	p-value	Conclusion
X1→Y1→Y2	0.0548	0.01121	Significant
X2→Y1→Y2	0.0665	0.005944	Significant

Indirect Influence of Spiritual Marketing on Sustainable Competitive Advantage through Marketing Capability

As shown in Table 4, Spiritual Marketing (X1) has a significant positive effect on Sustainable Competitive Advantage (Y2) through Marketing Capability (Y1). Marketing Capability (Y1) mediates the relationship between Spiritual Marketing (X1) and Sustainable Competitive Advantage (Y2) by 0.0548.

Indirect Influence of Entrepreneurial Orientation on Sustainable Competitive Advantage through Marketing Capability

Table 4 shows a significant positive effect of Entrepreneurship Orientation (X2) on Sustainable Competitive Advantage (Y2) through Marketing Capability (Y1). Marketing Capability (Y1) mediates the influence of Entrepreneurship Orientation (X2) on Sustainable Competitive Advantage (Y2) by 0.0665.

5. Discussions

The Correlation between Spiritual Marketing and Marketing Capability

This study confirmed the significant positive relationship between Spiritual Marketing and Marketing Capability. Stronger Spiritual Marketing can improve Marketing Capability as proven by the path coefficient of 0.2936 and a p-value <0.001. The level of Spiritual Marketing can affect the level of Marketing Capability. This indicates that good Spiritual Marketing among Pertamina employees will increase their Marketing Capability. The dominant indicator measuring Spiritual Marketing in this study is

Ethical (Moralqiah) (X12). Whereas, on the Marketing Capability variable, the most dominant indicator is Marketing Innovation (Y14). This study has never been conducted before. Thus, this study offers a new concept (novelty) regarding the positive and significant effect of Spiritual Marketing on Marketing Capability. Pertamina is recommended to improve the implementation of Spiritual Marketing, especially Ethical (Akhlqiah) to improve Marketing Capability. Innovation is an important aspect in a company in integrating the technology, organization, and market changes and to develop new strategies to maintain the company’s sustainability through Sustainable Competitive Advantage.

The Correlation between Spiritual Marketing and Sustainable Competitive Advantage

This study found a positive yet insignificant relationship between Spiritual Marketing and Sustainable Competitive Advantage, with a path coefficient of 0.0849 and a p-value = 0.1270. P-value I > 0.05 indicates insignificant influence. Hence, the level of Spiritual Marketing will not increase/decrease the Sustainable Competitive Advantages among Pertamina employees. The most dominant indicator measuring the Spiritual Marketing variable in this study is Ethical (Akhlqiah) (X12). Whereas, on the Sustainable Competitive Advantage, the most dominant indicator is Market Perspective (Y21). Nevertheless, the two variables share a significant indirect relationship. Spiritual Marketing is mediated by Marketing Capability in providing significant influence on Sustainable Competitive Advantage. The positive indirect effect was shown by the path coefficient, meaning that the influence is unidirectional. Higher Spiritual

Marketing will be followed by an increase in Marketing Capability which will result in a higher Sustainable Competitive Advantage. This study is the first study measuring those relationships, offering a new concept (novelty) that Spiritual Marketing does not have any significant influence on Sustainable Competitive Advantage, yet the influence becomes significant when it is mediated by Marketing Capability.

The Correlation between Entrepreneurial Orientation and Marketing Capability

This study shows that the Entrepreneurship Orientation consisting of five indicators (Creation, Risk Taking, Proactive, Competitive Aggressiveness, and Autonomy) has a significant positive influence on the Marketing Capability which consists of four indicators (Product Innovation, Process Innovation, Managerial Innovation, and Marketing Innovation), with a path coefficient of 0.3566 and a p-value <0.001. Stronger Entrepreneurship Orientation is followed by stronger Marketing Capability. This indicates a good Entrepreneurship Orientation among Pertamina employees will improve their Marketing Capability. The most dominant indicator that measures the Entrepreneurship Orientation is Competitive Aggressiveness (X24). Whereas, on Marketing Capability, the most dominant indicator is Marketing Innovation (Y14). The results of this study support Ferreira et al. (2018) who found that dynamic ability, creativity, and marketing capabilities share significant, positive influences on performance, while Entrepreneurial Orientation is the intervening variable. Alshanty and Emeagwali (2019) stated that there is a positive influence of market sensing ability on corporate innovation. Thus, this study reinforces the results of previous studies that found a positive and significant influence between Spiritual Marketing and Marketing Capability.

The Correlation between Entrepreneurial Orientation and Sustainable Competitive Advantage

This study shows that Entrepreneurship Orientation which consists of five indicators (Innovation, Risk Taking, Proactive, Competitive Aggressiveness, and Autonomy) has insignificant influence on Sustainable Competitive Advantage which consists of two indicators (Market Perspective and Strategy), with a path coefficient of 0.0860 and a p-value of 0.1207. The most dominant indicator that measures the Entrepreneurship Orientation is Competitive Aggressiveness (X24). Whereas, in the Sustainable Competitive Advantage variable, the most dominant indicator is the Market Perspective (Y21). This result shows that good Entrepreneurship Orientation among Pertamina employees will not necessarily reduce/increase their Sustainable Competitive Advantage. However, there

is a significant indirect relationship mediated by Marketing Capability with significant influence on the relationship between Entrepreneurial Orientation and Sustainable Competitive Advantage. The path coefficient showed a sign of positive indirect effect, meaning that the influence is unidirectional. The higher the Entrepreneurship Orientation followed by better Marketing Capability will result in stronger Sustainable Competitive.

This study is contradictory to the findings of Pratono et al. (2019) who found that that inter-organizational learning plays an important role as an intervening variable that operates by receiving input from the green entrepreneurial orientation and market orientation as an exogenous construct. Besides, Ritonga's research (2019) shows that Entrepreneurial Orientation significantly influences Sustainable Competitive Advantage. Thus, this research produces a new concept (novelty) in which Entrepreneurship Orientation does not share a significant influence on Sustainable Competitive Advantage. Instead, the influence is rather significantly affected if it is mediated by Marketing Capability.

The Correlation between Marketing Capability and Sustainable Competitive Advantage

This study shows that Marketing Capability consisting of four indicators (Product Innovation, Process Innovation, Managerial Innovation, and Marketing Innovation) has a positive and significant influence on Sustainable Competitive Advantage which consists of two indicators (Market Perspective and Strategy), with a path coefficient of 0.1865 and a p-value of 0.0027. Stronger Marketing Capability will be followed by stronger Sustainable Competitive Advantage. This indicates Pertamina employees' Marketing Capability will add to the company's Sustainable Competitive Advantage. The most dominant indicator in measuring the Marketing Capability variable is Marketing Innovation (Y14). Whereas, on Sustainable Competitive Advantage, the most dominant indicator is Market Perspective (Y21).

This study is in line with the findings of Prakoso (2005), in which market orientation, innovation, and learning orientation influence company performance in achieving Sustainable Competitive Advantage. The results of other studies explain that learning orientation, market orientation, and product innovation have a significant influence on competitive advantage (Sugiyarti, 2015). In line with the research of Aziz and Samad (2016), SMEs are encouraged to invest in innovation to obtain a Sustainable Competitive Advantage. The study also found the influence of corporate age moderation on the relationship between innovation and Sustainable Competitive Advantage. This study suggests a framework for analyzing the impact of innovation on Sustainable Competitive Advantage to be applied in other Malaysian SME management.

This study reinforces the results of previous studies which found a positive and significant influence of Marketing Capability on Sustainable Competitive Advantage. Improving Sustainable Competitive Advantage requires Pertamina to also improve employees' Marketing Capability, specifically in Marketing Innovation.

6. Implications of the Study

The implication of this study relates to the finding that Spiritual Marketing and Entrepreneurial Orientation influence Marketing Capability and Sustainable Competitive Advantage. Marketing Capability influences Sustainable Competitive Advantage. Therefore, enhancing Spiritual Marketing Culture, Entrepreneurial Orientation, and Marketing Capability is a way to obtain a Sustainable Competitive Advantage. The new concept of this research is the positive and significant influence of Spiritual Marketing on Marketing Capability. Thus, Pertamina must improve the implementation of Spiritual Marketing, especially Ethical (Akhlahaqiah) to improve Marketing Capability. Another new finding is that Spiritual Marketing does not have a significant influence on Sustainable Competitive Advantage, but it becomes significant if mediated by Marketing Capability.

7. Conclusions

This study found Spiritual Marketing and Entrepreneurial Orientation are very influential in increasing Marketing Capability. That is, improvement of Marketing Capability requires proper implementation of Spiritual Marketing and Entrepreneurship Orientation. This study also found that Spiritual Marketing and Entrepreneurial Orientation did not directly influence Sustainable Competitive Advantage, but the relationship is indirectly influenced by Marketing Capability. Marketing Capability influences the level of Sustainable Competitive Advantage. Hence, Spiritual Marketing and Entrepreneurship Orientation play important roles in the improvement of the company's Sustainable Competitive Advantage, particularly in the marketing of Pertamina's General Fuel. The limitation of this study is that it is a cross-sectional study in which the study was conducted at one time period, as such, it cannot be generalized for all time. Future studies are expected to use longitudinal research so that important changes can occur and generalize more accurately.

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