Antecedents Of Sustainable Competitive Advantages On Marketing Performance Of Horticultural Products In Karo Regency

Maretta Ginting¹, Hasan Basri Tarmizi², Yeni Absah³, Endang Sulistya Rini⁴

¹Doctoral Student, Universitas Sumatera Utara
²-⁴Lecturer of Faculty of Economics and Business, Universitas Sumatera Utara
Gintingmaretta11@gmail.com, Hb.tarmizi@yahoo.com, Absah_usu@yahoo.com, endangswilistyarini@yahoo.co.id

Abstract

This research is motivated by the problem of the competitiveness of horticultural products in Karo Regency which is still relatively low compared to other regions. The purpose of this study was to analyze the sustainable competitive advantage and performance of horticultural product marketing in Karo Regency which is influenced by factors of trust, norms and networks. This study used 148 horticultural farmers as respondents in 9 (nine) sub-districts in Karo Regency. Data were analyzed using PLS SEM with the help of WarpPLS software. The results of the study show that, based on direct influence, there was positive and significant influence of trust, norms and networks on sustainable competitive advantage. There was positive and significant influence of trust, network and sustainable competitive advantage on marketing performance. There was insignificant positive effect of norms on marketing performance. Based on indirect influence, it was found that there were positive and significant influences of trust, norms, and networks on marketing performance through continuous competitive advantage.

Keywords: Trust, Norms, Network, Sustainable Competitive Advantage, Marketing Performance.

1. Introduction

Horticulture The Karo Regency has entered the Malaysian and Singapore markets since the early 1950s and until now. This is certainly very beneficial for the people in Karo District who 75% (seventy five) of the population work as farmers. In the year 50, around 70 Karo exporters had fulfilled vegetable needs in Malaysia and Singapore, and in the last 13 years only a few Karo exporters were able to carry out international trade. The decline of Karo Regency's horticultural exports is estimated to be due to rumors about excessive use of pesticides by Karo farmers, weak port service delivery and failure to pay the buyers to make the exporting farmer harmed. The problem of pesticide use and the weakness of port services is the internal problem of North Sumatra related to the improvement of its exports. So that if this can be improved then it is possible to restore the glory of Karo District in exporting agricultural products, [1] The presence of an export market for farmers that is directly related to the production of agricultural products also opens opportunities to reach a wider market and increase farmers’ income. [2]

Currently the market share of Karo Regency's agricultural products is mostly in local areas such as Medan, Siantar, Langkat, Binjai, Rantau Prapat, Aceh, Batam, Pekanbaru, Palembang, Jakarta and Kalimantan. Exports of agricultural products in Karo Regency are sent to Malaysia, Singapore, Taiwan, Vietnam, Mexico, America and Australia but in small amounts. Although the absorption capacity of horticultural products in North Sumatra is still quite good, the competitiveness of horticultural products that are less able to penetrate foreign markets is a very bad condition for the performance of karo regency horticulture marketing. If farmers still choose to stay in the comfort zone with the domestic market and the quality that exists today, this will cause the opportunity for overseas horticultural products to enter Indonesia to be wider, because there are currently high class consumers who do not pay attention to prices but they care more about the quality of the products they consume, so we often find high quality imported oranges at prices above Rp. 50,000 one kilo are sold in shopping centers in cities.

The sustainable competitive advantage is a value that can be created by the company for its consumers. This sustainable competitive advantage can be seen from the accuracy of the company in providing products in the market and response to consumer complaints such as product quality, consumer needs, new market control and continuous product innovation [3]. The problem that is being experienced by farmers and traders of horticulture
products in Karo Regency is that competitiveness is still low. Karo Regency horticulture has not been able to compete with the results of neighboring agricultural products such as Thailand and Malaysia, even the competitiveness of horticulture products in Java, such as in Lembang, or the competitiveness of Kulon Progo agricultural products. However, there are also some products that already have good competitiveness, for example the best round cabbage in Indonesia and are in demand by the export market, especially the Taiwan market, is round cabbage originating from Karo Regency. With the weight of one seed, on average 2-4 kg this is equal to or equivalent to 2 seeds of the same cabbage species grown in other regions. But unfortunately not all cabbage farmers in Karo District have realized the importance of maintaining the quality of agricultural products, there are still only a few cabbage farmers who pay attention to the good standard of cabbage. Limited land makes Brunei Darussalam and Singapore rely on other countries as providers of their food ingredients and this is an opportunity for 70 percent of the population of Karo Regency who are farmers and traders of agricultural products.

When John Anderson came to East Sumatra Coast in 1823, in carrying out his British mission, he saw karao farmers who were skilled at cultivating pepper (“They keep the pepper gardens beautifully clean.”) Karo Batak people were diligent people, greedy habits they and the penchant for money, encourage them to work hard. The days are mainly filled with hard work and the Karo Batak people are extraordinarily stingy and love to save. That way, in addition to their diligence, they are able to collect large amounts of money. The Karo Batak people also did not show off their wealth. (John Anderson, Mission to the East of Sumatra in 1823 (reprint, Kuala Lumpur, OUP, 1971), [4]

The majority of farmers in Karo regency are Karo, the character of the Karo tribe in general as people who are honest, assertive, brave, confident, shy, not greedy, easily offended and vindictive, firm, polite, always maintaining good family, rational and critical names. easy to adjust, persistent looking for knowledge, also there is also the nature of jealousy and envy known as "cian and concerned with procedures [5]. Jealousy and envy sometimes become a problem in terms of cooperation between farmers in Karo Regency, sometimes it happens if a farmer knows the secrets in agriculture that are able to increase production and quality of agricultural products, such as super seeds or quality fertilizers, so farmers are reluctant to share it to other farmers.

In general it can be said that among the relatives there is an obligation to help each other in its various forms. The magnitude of the obligation correlates with the close kinship relationship, namely the closer the kinship relationship the greater the obligation. The Karo community experienced an important change from time to time, the Karo people were advanced farmers who produced vegetables for Medan and exported to Singapore and Penang. In the midst of these changes, it is clear that the Karo people still maintain strong norms related to kinship. They still considered Merga Silima as an important identity of their ethnic group. The function of each group of relatives in principle is still maintained. Although it seems outdated, kinship is still valid in the city.[6]

2. **Literatur Review**

2.1. **Social Capital**

The social capital pioneered [7] states that social capital is something tangible in people's daily lives such as sympathy, social relations in society, and community life that form a social unit. The meaning of social capital refers to the strength of social relations in society, including the lives of individuals in families, as well as social groups. The strength of social relations is reflected in good behavior, friendliness, mutual sympathy, and fostering close relationships and cooperation between individuals in families that form a social group in community life [8]. This concept was recycled in the 1950s and 1960s. The concept of social capital was reintroduced by [9] while researching Italy in 1985. Fukuyama stated that there was no agreement on a definite definition of social capital.

Social capital is understood as a form of social interaction in society, the interaction takes place through institutions, relations and norms that are recognized and obeyed together. Society makes rules of mutual agreement as a value in their community. Furthermore, Field argues that by building relationships, and keeping them going all the time, individuals are able to work together to achieve things they cannot do themselves, or that they can achieve but with difficulty. The concept of social capital has been widely discussed in the social sciences in the last year of [11]. Social capital began to be developed by researchers to touch the realm of policy as a development strategy. This is in accordance with [12] statement that there are at least two main contributions of social capital to development, namely as a social function and political function [13].

One resource that can provide competitive advantage is a resource developed through various social approaches with social attributes [14] known as social capital or social capital [15]. In this regard social capital is
seen as one of the strategic instruments that is able to encourage the growth and development of competitive advantages which in turn can produce good marketing performance and ensure its sustainability.

In a competitive market, the ability of a company to produce good marketing performance is highly dependent on the degree of competitive advantage it has social capital: social attributes, social approaches and sustainability levels of these various advantages, which are explained through the RBT approach - resource-based theory of the firm as seen in various studies conducted by, among others: [16], [17], [15] & [11].

Cohen and Prusak [18] provide an understanding that social capital is an active stock and relationship between communities. Every pattern of relations that occurs is bound by trust (mutual understanding), and shared values that bind group members to make the possibility of joint action can be carried out efficiently and effectively. Threat is more emphasis on characteristics (traits) that are embedded in individual human beings involved in social interaction [18]. Some of the characters include: Fukuyama who defines social capital as "the ability of people to work together for common purposes in groups and organizations". In other languages Fukuyama explains that social capital is a series of informal values or norms shared by community members that enable cooperation between them [11] Field explains social capital is part of social life networks, norms and beliefs that encourage participants to act together more effectively to achieve common goals [11]. The core idea of social capital theory is that networks have value then social contact will affect individual and group productivity. Fukuyama stated that social capital arises from the existence of trust in a community.

[19] provides a proposition that a community entity that has high social virtue, but socially isolated life will be seen as a society that has a low level of social capital. [20] [21] conducted a study of what he referred to as micro-phenomena and social interactions, namely norms and networks that were very influential on the life of social organizations. Norms that are formed and repeated patterns of daily interaction will create separate rules in a society. The rules formed will then become a strong basis in every process of social transactions, and will greatly help make various social affairs more efficient. When this norm then becomes the norm of association or group norms, there will be many benefits and benefit from the life of the social institution. Social forces in interacting between groups will be formed. In the end it is easier for efforts to achieve progress together.

Parameters of Social Capital.
Referring to [22] there are three parameters of social capital, namely trust, norms, and networks.

1. Trust.
   As explained [23], trust is a hope that grows in a society as indicated by the existence of honest, orderly, and cooperative behavior based on shared norms. Social trust is an application of this understanding. [23] then notes that in societies that have a high level of trust, social rules tend to be positive in relationships as well as collaboration. According to him we expect other people to realize good intentions, and believe in fellow humans. We tend to work together to collaborate with others in collegial/kinship relationships [23].

Social trust is basically a product of good social capital. The existence of good social capital is characterized by the existence of solid social institutions, social capital gives birth to harmonious social life [24]. Social capital damage will lead to anomies (unregulated chaos) and anti-social behavior [23].

2. Norm.
   Norms consist of understandings, values, hopes and goals that are believed and carried out jointly by a group of people. Norms can come from religion, moral guidelines and secular standards as well as professional codes of ethics. Norms are built and developed based on the history of cooperation in the past and applied to support the climate of cooperation [25]; [26]. Norms can be pre-conditions or products of social trust.

3. Social Network
   Dynamic infrastructure of social capital takes the form of collaborative networks between humans [27]. The network facilitates communication and interaction, enables the growth of trust and strengthens cooperation. Healthy communities tend to have strong social networks. People know and meet other people, they then build thick relationships, both formal and informal [27], [28] argued that close social networks would strengthen the feelings of cooperation among their members and the benefits of their participation.

2.2. Sustainable Competitive Advantages

Within the company there are 2 (two) sources of competitive advantage, namely: superior skills and superior resources as stated by [11]. These two sources have until now become guidelines for resource-based view (RBV). [5] revealed 4 that can be applied to produce Sustainable Competitive Advantages are: value, rareness, inability to imitate, and imperfect substitution.

Based on resource-based theory [14], [29] proposes a formal definition that is closer to the notion of sustainable competitive advantage that is often used today, namely excellence that is achieved continuously by implementing strategies to achieve value unique values that competitors do not have. Furthermore it was said that the company
was said to have a sustainable competitive advantage if the company was able to create value which at the time was not being carried out by both competitors and prospective competitors and other companies were unable to replicate the advantages of this strategy. Company resources have the potential for competitive advantage if they have four attributes, namely:

1. Scarcity
2. Value
3. Can not be imitated

[26] describes resources with 4 (four) attributes: valuable, rare, difficult to imitate, no other company resources that are strategically equivalent; and strategic resources help companies achieve and maintain Sustainable Competitive Advantages. The RBV theory states that sustainable competitive advantage rests on highly valuable, rare, inimitable and nonsubstitutable organizational resources (VRIN) in organizational settings that have policies and procedures to exploit [4], [5].

Jay Barney developed the concept of resource-based view which has an important role for strategy management. The concept states that organizations will achieve sustainable competitive advantage if they have resources that are valuable, unique, rare and difficult to imitate. Resource-Based View emphasizes internal organizational factors and criticizes the industrial organization approach that emphasizes the external factors of the organization. Based on a resource-based view, the organization can determine the strategy it will do according to the capabilities of the organization. [30]

2.3. Marketing Performance.

Marketing performance is part of organizational performance. Organizational performance consists of marketing performance, financial performance, and human resource performance. The company's strategy is always directed towards producing marketing performance, namely sales volume, market share, and sales growth and marketing performance as an effort to measure performance levels including sales turnover, number of buyers, profits and sales growth [31].

Marketing performance is a concept to measure the market performance of a product. Every company has an interest in knowing the market achievements of its products, as a mirror of the success of its business in the world of business competition. Marketing performance is generally measured by looking at the level of sales growth, customer growth, and Return On Investment (ROI) as a marketing performance indicator. Sales growth depends on how many customers are known, and the average consumption level. Thus there are a large number of customers even though with a constant average consumption level, the amount of sales volume can be increased. This marketing performance is one variable to measure competitive advantage. According to [32] which states that competitive advantage can be measured from Financial Performance and Market Performance.

Performance measurement, which is to measure organizational performance in small and medium enterprises, is more suitable to use a growth approach because small and medium enterprises are generally less open in financial statements, making it difficult to interpret [33]. Marketing performance indicators can be seen from market results, customer assessment results, results of customer behavior and financial results. The results of customer behavior consist of customer loyalty / retention, Churn rate, Number of customer complaints, Number of transactions per customer, Share of wallet [34]. [31] Marketing performance indicators consist of fulfilling sales targets, number of customers, year-on-year sales growth, marketing reach, profit growth. This indicator is also often used by other researchers.

Marketing performance is a construct or factor commonly used to measure the impact of a company's strategy. For that measure that should be used is a measure that is an activity based measure that can explain the marketing activities that produce the marketing performance [35].

[36] states that the quality of marketing performance supported by understanding of consumers and the advantages of new products are factors that can increase the success of new products that are associated with the creation of superior value for consumers. The creation of superior value for consumers is a stepping stone for a company to improve its marketing performance.

3. Research Methodology

3.1. Data

The data in this study come from two main sources, namely 1) primary data (primary data) and secondary data (secondary data). Primary data comes from a list of questions (questionnaire) directed at horticulture farmers in
Karo District. Secondary data was obtained through the Central Statistics Agency (BPS) in Karo District, Karo District Agricultural Service and Karo District Trade Office, as well as other Dinas-related services.

3.2. Population and Samples

Population is a generalization area consisting of objects / subjects that have certain characteristics determined by researchers to be studied and then drawn conclusions[37]. The population in this study were all horticultural farmers in Karo District and it is unknown how many, so the sampling technique used was included in non-probability sampling categories [38] [39]. The sample in this study was determined based on quota, where the form of the sample was proportionally stratified, but not randomly selected but by chance. In this study, using a model of maximum likelihood estimation (MLE) is a minimum of 200 samples [40] or as many as 5-10 times the estimated parameters [41], [42] In this study, a minimum sample of 14 x 5 = 70 horticultural farmers spread across 9 (nine) sub-districts in Karo District was determined, but based on the consideration of primary data easily available because researchers have already conducted research in the same location, the researchers used a sample size of 148 farmers.

3.3. Analytical Technique

The research approach is quantitative with inferential statistics, a quantitative approach based on structural equation modeling (SEM) model with some exogenous variables and endogenous variables. SEM is part of the multivariate dependent statistic; SEM enables the analysis of several dependent and independent variables directly [40].

Partial Least Square is a powerful analysis method since it is not based on many assumptions [41]. Data also does not necessarily have a multivariate normal distribution (indicator with category scale, ordinal, interval to ratio can be used on the same model) the sample should not be large. Software used in this research is WarpPLS. SEM-PLS can work efficiently with small sample sizes and complex models. Also, the assumption of data distribution in relative SEM-PLS is easier than CB-SEM [43].

4. Result And Discussion

4.1. Result

4.1.1. Outer Model Evaluation  (Measurement Model)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Trust (X1)</th>
<th>Norms (X2)</th>
<th>Network (X3)</th>
<th>Sustainable Competitive Advantages (Y1)</th>
<th>Marketing Performance (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PX11</td>
<td>0.851</td>
<td>-0.012</td>
<td>-0.016</td>
<td>-0.053</td>
<td>0.128</td>
</tr>
<tr>
<td>PX12</td>
<td>0.897</td>
<td>-0.094</td>
<td>-0.004</td>
<td>0.093</td>
<td>0.046</td>
</tr>
<tr>
<td>PX13</td>
<td>0.882</td>
<td>-0.014</td>
<td>-0.018</td>
<td>-0.038</td>
<td>0.050</td>
</tr>
<tr>
<td>PX14</td>
<td>0.831</td>
<td>-0.057</td>
<td>-0.060</td>
<td>-0.081</td>
<td>0.224</td>
</tr>
<tr>
<td>PX15</td>
<td>0.877</td>
<td>0.008</td>
<td>0.075</td>
<td>0.112</td>
<td>-0.264</td>
</tr>
<tr>
<td>PX16</td>
<td>0.842</td>
<td>0.174</td>
<td>0.021</td>
<td>-0.042</td>
<td>-0.178</td>
</tr>
</tbody>
</table>

Based on the results of loading all indicators Trust is stated to be significant because it has a loading value of > 0.7 which means it has met the validity requirements based on the loading value.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Trust (X1)</th>
<th>Norms (X2)</th>
<th>Network (X3)</th>
<th>Sustainable Competitive Advantages (Y1)</th>
<th>Marketing Performance (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PX21</td>
<td>-0.036</td>
<td>(0.894)</td>
<td>-0.005</td>
<td>-0.006</td>
<td>0.057</td>
</tr>
</tbody>
</table>
Based on the results of loading, all indicators of norms are stated to be significant because they have a loading value of > 0.7, which means that they meet the validity requirements based on the loading value.

### Table 3. Loading Values of Network

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Trust (X1)</th>
<th>Norms (X2)</th>
<th>Network (X3)</th>
<th>Sustainable Competitive Advantages (Y1)</th>
<th>Marketing Performance (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PX31</td>
<td>0.009</td>
<td>0.007</td>
<td>(0.901)</td>
<td>0.010</td>
<td>-0.021</td>
</tr>
<tr>
<td>PX32</td>
<td>-0.005</td>
<td>0.018</td>
<td>(0.890)</td>
<td>0.008</td>
<td>-0.029</td>
</tr>
<tr>
<td>PX33</td>
<td>0.003</td>
<td>0.020</td>
<td>(0.869)</td>
<td>0.053</td>
<td>-0.098</td>
</tr>
<tr>
<td>PX34</td>
<td>-0.046</td>
<td>-0.038</td>
<td>(0.847)</td>
<td>0.010</td>
<td>0.098</td>
</tr>
<tr>
<td>PX35</td>
<td>-0.014</td>
<td>-0.063</td>
<td>(0.829)</td>
<td>-0.034</td>
<td>0.082</td>
</tr>
<tr>
<td>PX36</td>
<td>0.050</td>
<td>0.052</td>
<td>(0.874)</td>
<td>-0.049</td>
<td>-0.026</td>
</tr>
</tbody>
</table>

Based on the results of loading all network indicators stated significant because it has a loading value of > 0.7 which means it has met the validity requirements based on the loading value.

### Table 4. Loading Values of Sustainable Competitive Advantages

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Trust (X1)</th>
<th>Norms (X2)</th>
<th>Network (X3)</th>
<th>Sustainable Competitive Advantages (Y1)</th>
<th>Marketing Performance (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PY11</td>
<td>0.038</td>
<td>0.064</td>
<td>0.040</td>
<td>(0.861)</td>
<td>-0.006</td>
</tr>
<tr>
<td>PY12</td>
<td>0.037</td>
<td>0.084</td>
<td>0.055</td>
<td>(0.875)</td>
<td>0.010</td>
</tr>
<tr>
<td>PY13</td>
<td>0.031</td>
<td>0.015</td>
<td>-0.063</td>
<td>(0.838)</td>
<td>0.205</td>
</tr>
<tr>
<td>PY14</td>
<td>-0.073</td>
<td>0.014</td>
<td>-0.007</td>
<td>(0.827)</td>
<td>0.127</td>
</tr>
<tr>
<td>PY15</td>
<td>-0.028</td>
<td>-0.154</td>
<td>-0.038</td>
<td>(0.718)</td>
<td>-0.172</td>
</tr>
<tr>
<td>PY16</td>
<td>-0.016</td>
<td>-0.064</td>
<td>0.005</td>
<td>(0.661)</td>
<td>-0.237</td>
</tr>
</tbody>
</table>

Based on the results of loading, all indicators of sustainable competitive advantage are declared significant because they have a loading value of > 0.7, which means that they have met the validity requirements based on the loading value.

### Table 5. Loading Values of Marketing Performance

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Trust (X1)</th>
<th>Norms (X2)</th>
<th>Network (X3)</th>
<th>Sustainable Competitive Advantages (Y1)</th>
<th>Marketing Performance (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PY21</td>
<td>-0.138</td>
<td>-0.097</td>
<td>-0.137</td>
<td>0.006</td>
<td>(0.768)</td>
</tr>
<tr>
<td>PY22</td>
<td>-0.142</td>
<td>-0.130</td>
<td>-0.073</td>
<td>-0.010</td>
<td>(0.793)</td>
</tr>
<tr>
<td>PY23</td>
<td>0.452</td>
<td>-0.051</td>
<td>0.003</td>
<td>0.098</td>
<td>(0.760)</td>
</tr>
<tr>
<td>PY24</td>
<td>-0.141</td>
<td>0.410</td>
<td>-0.096</td>
<td>-0.272</td>
<td>(0.800)</td>
</tr>
<tr>
<td>PY25</td>
<td>0.048</td>
<td>-0.083</td>
<td>0.350</td>
<td>0.117</td>
<td>(0.853)</td>
</tr>
</tbody>
</table>
Based on the results of loading all indicators of marketing performance stated significant because it has a loading value of > 0.7 which means it has met the validity requirements based on the value of loading.

4.1.2. Nilai Average Variance Extracted (AVE) dan dan Composite Reliability (Reliabilitas)

<table>
<thead>
<tr>
<th></th>
<th>KT (X1)</th>
<th>NN (X2)</th>
<th>JA (X3)</th>
<th>KBB (Y1)</th>
<th>KP (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.946</td>
<td>0.940</td>
<td>0.949</td>
<td>0.914</td>
<td>0.912</td>
</tr>
<tr>
<td>Composite reliab.</td>
<td>0.932</td>
<td>0.914</td>
<td>0.936</td>
<td>0.885</td>
<td>0.884</td>
</tr>
<tr>
<td>Cronbach’s alpha</td>
<td>0.746</td>
<td>0.796</td>
<td>0.756</td>
<td>0.641</td>
<td>0.634</td>
</tr>
<tr>
<td>Avg. var. extrac.</td>
<td>1.662</td>
<td>1.405</td>
<td>1.937</td>
<td>2.967</td>
<td>4.300</td>
</tr>
<tr>
<td>Full collin. VIF</td>
<td>0.530</td>
<td>0.770</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of testing the validity based on the AVE value, it is known that the AVE value of Trust (X1) is 0.746, Norms (X2) 0.796, Network (X3) 0.755, Sustainable Competitive Advantage (Y1) 0.641 and Marketing Performance (Y2) 0.634. The recommended AVE value is above 0.5 (Mahfud and Ratmono, 2013: 67). It is known that all AVE values> 0.5, which means that it meets the validity requirements based on AVE.

Based on the results of reliability testing based on the Composite Realibility value, it is known that the Composite Realibility value of Trust (X1) is 0.946, Norms (X2) 0.940, Network (X3) 0.949, Sustainable Competitive Advantage (Y1) 0.914 and Marketing Performance (Y2) 0.912. The recommended CR value is above 0.7. It is known that all CR values> 0.7, which means that it meets the reliability requirements based on CR.

4.2. Hypothesis Testing

4.2.1. Inner Model

4.2.1.1. Testing of Direct Influence
Based on the results of testing the direct effect in Figure 1 and Table 7, it is known:

1. Path coefficient from Trust (X1) to Sustainable Competitive Advantage (Y1) is 0.278, which is positive, with P-Values value 0.021 <0.05, then Trust (X1) has a significant effect on Sustainable Competitive Advantages (Y1).

2. Path coefficient from Norms (X2) to Continuous Competitive Advantage (Y1) is 0.346, which is positive, with P-Values 0.006 <0.05, then Norms (X2) have a significant effect towards Sustainable Competitive Advantages (Y1).

3. Path coefficient from Network (X3) to Sustainable Competitive Advantage (Y1) is 0.352, which is positive, with P-Values 0.005 <0.05, then Network (X3) has a significant effect on Sustainable Competitive Advantage (Y1).

4. The value of the path coefficient of Trust (X1) on Marketing Performance (Y2) is 0.260, which is positive, with the value of P-Values 0.007 <0.05, then Trust (X1) has a significant effect on Marketing Performance (Y2).

5. The path coefficient from Norms (X2) to Marketing Performance (Y2) is 0.063, which is positive, with P-Values value of 0.237 > 0.05, then Norms (X2) unsignificantly influence Marketing Performance (Y2).

6. The path coefficient value of the Network (X3) on Marketing Performance (Y2) is 0.352, which is positive, with the P-Values value of 0.008 <0.05, then Network (X3) has a significant effect on Marketing Performance (Y2).

7. The path coefficient value of Continuous Competitive Advantage (Y1) on Marketing Performance (Y2) is 0.450, which is positive, with a P-Values value of 0.007 <0.05, then Sustainable Competitive Advantage (Y1) has a significant effect on Marketing Performance (Y2).

Table 8. Value of R Square

<table>
<thead>
<tr>
<th></th>
<th>KT (X1)</th>
<th>NN (X2)</th>
<th>JA (X3)</th>
<th>KBB (Y1)</th>
<th>KP (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.523</td>
<td>0.767</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Composite rel.</td>
<td>0.946</td>
<td>0.940</td>
<td>0.949</td>
<td>0.914</td>
<td>0.912</td>
</tr>
<tr>
<td>Cronbach's alpha</td>
<td>0.932</td>
<td>0.914</td>
<td>0.935</td>
<td>0.805</td>
<td>0.684</td>
</tr>
</tbody>
</table>
Based on the results in Table 8 it is known:
R The value of R-Square on Continuous Competitive Advantage (Y1) is 0.52, which means that the Trust variable (X1), Norms (X2) and Network (X3) can influence the Sustainable Competitive Advantage (Y1) of 52%.
R The value of R-Square on Marketing Performance (Y2) is 0.77, which means that the Trust variable (X1), Norma-Norma (X2), Jatringan (X3) and Sustainable Competitive Advantage (Y1) can influence the Marketing Performance (Y2) of 77%.

4.2.1.2. Testing Goodness Of Fit

Table 9 Goodness of Fit Tests

<table>
<thead>
<tr>
<th>Model fit indices and P values</th>
</tr>
</thead>
<tbody>
<tr>
<td>APC=0.295; P&lt;0.001</td>
</tr>
<tr>
<td>ARS=0.645; P&lt;0.001</td>
</tr>
<tr>
<td>AVIF=1.423, Good if &lt; 5</td>
</tr>
</tbody>
</table>

Based on Table 9, it is known that the probability (p-values) of APC and ARS are significant, namely P <0.001 which means <0.05 and P = 0.001 <0.05, and the AVIF value = 1.423 is less than 5. This means that the model submitted has been fit.

4.2.1.3. Testing of Indirect Effects

Table 10 Testing of Indirect Effects
Based on the results of testing the indirect effects in Table 10 the following results are obtained:

8. It is known the indirect influence of Trust (X1) on Marketing Performance (Y2) through Sustainable Competitive Advantage (Y1) of 0.221, with P-Values 0.041 <0.05 significance level, then Sustainable Competitive Advantage (Y1) is significant in mediating the influence of Trust (X1) on Marketing Performance (Y2).

9. It is known the indirect effect of Norms (X2) on Marketing Performance (Y2) through Sustainable Competitiveness (Y1) of 0.275, with P-Values 0.002 <0.05 significance level, then Sustainable Competitive Advantage (Y1) is significant in mediating the effect of Norms (X2) on Marketing Performance (Y2).

10. It is known the indirect influence of Network (X3) on Marketing Performance (Y2) through Continuous Competitive Advantage (Y1) of 0.279, with P-Values 0.014 <0.05 significance level, then Sustainable Competitive Advantage (Y1) is significant in mediating the influence of the Network (X3) on Marketing Performance (Y2).

4.3. Discussion

The positive and significant influence of social capital on sustainable competitiveness in this study shows the characteristics of social capital carried out by holtikutur farmers in Karo Regency, such as the character of the Karo tribe, who hold talks even though at the traditional ceremonies, the majority discussed are constructive such as sharing information about agricultural conditions, the character of farmers in Karo District who have a high curiosity towards the development of horticulture agriculture and their ability to use information media have a positive and significant effect on the sustainable competitive advantage of horticultural products produced. The results of data processing in this study prove that there is a positive and significant influence of social capital on sustainable competitive advantage. This is in line with the research conducted by [44], stating that there is an influence of social capital consisting of networks, trust and commitment to the sustainable competitive advantage of Small and Medium Enterprises, if networks, trust and commitment to a Small and Medium Business experience increase then there will be an increase in the competitive advantage of sustainable Small and Medium Enterprises.

Social capital in this study directly has a positive and significant effect on marketing performance, social capital carried out such as being honest and forthright if there are defects in horticultural products produced and often sharing agricultural information with friends and relatives has a positive and significant effect on marketing performance, which consists of expanding market share, increasing sales growth and sales value. Based on the results of data processing carried out shows that there is a positive and significant influence of social capital on marketing performance. This is in line with the research conducted by [45] who conducted research on the study of business capability and social capital and its implications for the performance of MSMEs in the industrial sector in South Sulawesi. The results of these studies show that social capital has a positive and significant effect on the performance of MSMEs in South Sulawesi. Furthermore [46], in his research states that the variable social capital has a significant positive effect on variables on the performance of MSMEs with a value of 3.599 and significant at
p <0.05, where the performance of MSMEs in this study is measured by profit growth, growth in number of customers, growth in sales, and growth in the number of assets.

Social capital owned by horticulture farmers in Karo Regency has a positive and significant effect on marketing performance through sustainable competitive advantage even though it does not have a positive and significant effect on direct marketing performance. The existing social capital in horticultural farmers in Karo Regency is like a trust that is firmly held in carrying out farming activities, norms which are believed to be in the form of care for the conditions of the relatives’ gardens and strengthening the network by cooperating with other farmers, the government and the private sector. market share, increase sales growth, and increase sales value by first making the products produced more valuable, different from horticultural products produced by other regions and not easily replaced. Data analysis performed shows that there is a positive and significant influence on marketing performance through sustainable competitive advantage. This is in line with the research of [35], stating the conception conveyed to make an initial contribution to the development of social capital to build competitive advantage which in turn will contribute to improving marketing performance. The conception of competitive advantage and sustainable competitive advantage is a strategy of one of the central issues in various marketing scenarios: marketing strategies developed for excellence produce marketing performance and competitive advantage of sustainability. Although this conception is not a new concept, it has become very prominent in the repertoire of strategy theory after it was well articulated [47] which later became one of the main references in various discussions on strategies, especially marketing strategies. Competitive advantage is finally seen as one of the strategic objectives for mediating various processes to produce good marketing performance. [35].

5. Conclusion

Based on direct influence, there is a positive and significant influence of trust, norms and networks on sustainable competitive advantage. There is a positive and significant influence of trust, network and sustainable competitive advantage on marketing performance, whereas there is a significant positive effect of norms on marketing performance.

Based on indirect influence, it was found that there were positive and significant influences of trust, norms, and networks on marketing performance through continuous competitive advantage.

REFERENCES


