The Mediating Role of Competitive Strategy: Cost Leadership and Differentiation in the Effect of Managerial Perception of Marketing Performance in Disaster Tourism

Badaruddin\textsuperscript{a}, Nasir\textsuperscript{b}, Hizir Sofyan\textsuperscript{c}, Hasan Basri\textsuperscript{d}, Nurdasila\textsuperscript{e}, \textsuperscript{a}Doctoral Program student of Management Science, Universitas Syiah Kuala Banda Aceh and Lecturer of Economic and Business Faculty of Serambi Mekkah Banda Aceh, \textsuperscript{b}Lecturer at Doctoral Program in Management Science Universitas Syiah Kuala, Banda Aceh, \textsuperscript{c}Department of Statistic Syiah Kuala universitas Banda Aceh Indonesia, \textsuperscript{d,e}Lecturer at Doctoral Program in Management Science universitas Syiah Kuala, Banda Aceh, Email: \textsuperscript{a}badar.manajemen@gmail.com

The purpose of this research is to test the influence of competitive strategy: cost leadership, differentiation, and impact on the dependent variable managerial perception of marketing. This study is also related to disaster tourism and is carried out to establish how to increase tourism in ACEH. Hypotheses (H1) testing results with a single sample test of the examined variables showed a significance relationship which was far from 0.05. The results of the research show the variable Co-Creation Tourism Value Proposition, Tourism Market Orientation, and Competitive Strategy: Cost Leadership, differentiation, and Managerial Perception of Marketing Performance can be said to be significant. The subsequent results of independent variable influence and variable intervening are very significant to the performance of dependent variables and independent variables and highly significant interventions. Either indirect hypothesis testing to see the influence of Co-creation value on Managerial Perception of Marketing Performance, through competitive strategies, directly or indirectly, raises a partial mediation role for the variable competitive strategy.

Key words: Co-creation tourism value proposition, Tourism market orientation, Competitive strategy, Cost leadership, Differentiation, Managerial perception of marketing performance.
Introduction

Emerging and growing tourism activities, including disaster tourism (Disaster Tourism) are not like others of their kind, because of specific and unique objects which are not found elsewhere and are interesting to visit. It is known that tourism has its essence: uniqueness, specificity, difference, originality, diversity, and localisation that attracts people to travel. The impact of a disaster is usually interesting to visit, first for humanitarian reasons to help others, but also as such events can be used as a ‘spectacle’ because they are specific and unique. People who want to know the condition resulting from disasters may feel compassion and also ‘comforted’, but the people who visited and felt unaffected will unfortunately feel this as a spectacle object (Pottorff, 1994).

The disaster-based tourism industry is one of the largest industries and is the fastest growing service sector in the world today. Even today the tourism sector occupies the second position in the foreign exchange acceptance after oil and gas. Therefore, many countries today try to improve their foreign exchange results by building a tourism industry. The industry was built with the hopes that many tourists will come to visit and spend their money. On this basis, many areas, especially developing countries strive to advance the tourism sector by improving tourism infrastructure, providing incentives in the form of visa exemption, promotions and marketing abroad.

Within the last five years, Indonesia's tourism position in the global market competition has become increasingly heavy due to some pressure, both involving dimensions of a sufficiently vulnerable national security variable, the restoration of the economic crisis has not succeeded and a high euphoria process of regional autonomy has resulted in non-synergic Indonesian tourism marketing programs. According to the law No. 90 year 1990 about tourism, it is emphasised that the tourism product is divided into tourism business that is classified into three types of business, namely: the tourism services business, business objects and tourist attractions, as well as business tourism facilities. Yet considering the optimal recovery of other sectors, tourism can be chosen to drive the economy. The impact of tourism to the real sector is faster because it comes into contact with various sectors driven by the community. Based on the data released by the National Satistik Centre, the number of foreign tourists (Wisman) who visited Indonesia in June 2017 amounted to 1.13 million people. These visits increased 31.61% compared to the same period last year. Throughout 2017, the number of visitors to Indonesia reached 6.48 million people, up 22.42% compared with the same period last year. However, when compared to last May, the number dropped 1.86 percent.
Literature Review

Osterwalder, Pigneur, Bernarda and Smith (2014), discussed, “an encapsulation of a strategic management decision on what the company believed its customers value and what it is able to deliver that gives it competitive advantage”. A proposition or value proposition refers to the business statement or marketing that is used to summarise why consumers should purchase products or use services. This statement convinces potential consumers that a particular product or service will add more or better value to solve the problem than other similar offerings. The company uses this statement to target customers who will benefit most from using company products, and it helps to keep moat economy (Bruce and Daly, 2007). The value proposition is a promise by the company to customers or market segments. This is an easy reason to understand why customers should purchase products or services from that particular business. The value proposition should be a clear statement explaining how a product solves a purchase point, communicating specifically the additional benefits and stating the reasons why it is better than similar products in the market. The ideal value proposition is concise and appealing for the most powerful driver in decision-making (Osterald et al., 2014).

Tourism Market Orientation

Market orientation is the business philosophy in which the focus is on identifying the customer's needs or desires and meeting them. When a company has a market orientation approach, it focuses on the design and sale of goods and services that satisfies the needs of customers to be profitable. The successful market-oriented company finds and fulfils its customers’ wishes and needs through its product mix (Zhou et al., 2005). The market orientation works in the opposite direction to the past marketing strategies - the orientation of the product where the focus is on setting the selling value for the existing goods. Rather than trying to make customers like or be aware of the benefits of products or services offered, with a marketing orientation approach we can customise it to meet customer demands (Hult and Ketchen, 2001). Many marketing gurus define market orientation as a coordinated marketing campaign between suppliers and buyers. The main disadvantage with the market orientation approach is the lack of innovation. If the marketer spends all of his time meeting the customer's needs, then his bias alone loses the potential technical breakthroughs that may exist. Companies that are product-oriented, on the other hand, tend to be more technically or scientifically innovative, but lose because they have little knowledge of what consumers want (Verhees and Meulenberg, 2004).
Competitive Strategy

The competitive strategy is seen as a long-term action plan designed by the company to achieve a competitive advantage over its competitors after learning the strengths and weaknesses of key competitors IR and comparing this to its own power. This strategy can combine actions to maintain the position of the pressure of competition in the market, attract customers, and help to strengthen the positional advantage of the company in a competitive market. Another sense of the competitive strategy is as a long-term plan of a particular company to gain a competitive edge over its competitors in the industry. This aims to create a defensive position in the industry and generate a superior ROI (Return on Investment). This type of strategy plays a very important role when the industry is very competitive and consumers are given products that are almost similar by the perpetrators who are in this industry (Review, 1991). Before designing a competitive strategy, one needs to evaluate all the strengths, weaknesses, opportunities, threats in the industry and then proceed with the analysis and implementation of a competing strategy that will result in a competitive advantage. The process of identifying competitors and evaluating their strengths and weaknesses in the product or service is called competitive analysis. This activity is an integral part of any company's marketing strategy. Conducting competitor analysis helps companies recognize their competitors and products. This allows them to position their own products in a way that can attract customers (Fiegenbaum and Thomas, 1995).

The theory of competitive advantage outlines how the marketing capabilities create competitive advantage and drive the export performance of a company. Frameworks of the excellence competitive method state that low cost excellence and differentiation excellence are the main determinants of performance. This theory also states that it is important to use the company's marketing capabilities as an alternative to gaining positional competitive advantages. Therefore, the literature suggests that to enjoy superior performance, a company must invest in their marketing skills. This marketing capability will allow companies to deliver products and services more effectively than their competitors. Consequently, through the achievement of a competitive advantage position, marketing capabilities are able to realise their full potential in terms of performance (Hunt, Research, 1995). Thus, the logical relationship between ability and marketing performance can be captured appropriately if the competitive advantage of low cost and difference is considered simultaneously. Competitive advantage refers to the company's position of excellence in the market segment where it operates.

This advantage is based on delivering superior customer value and/or achieving lower costs compared to competitors (Zahir Bokhari, 2014). Profit-based positions, promotions, and sales are key factors that increase the performance of a company (Hill, 1988). The advantage of the company's position is the result of a competitive strategy that strives to be a low cost
manufacturer in the industry and/or by differentiation in the product/service line. The company maintains the unique features of its products in the market, thereby creating a differentiating factor. With this differentiation leadership, the company aims to achieve market leadership. And companies charge a premium price for the product (due to high value-added features), Such as brand and superior quality, major distribution channels, consistent promotion support. Leadership Differentiation (Differentiation Leaderships) is where companies such as BMW offer for example, different cars from other car brands. The BMW cars are more technologically advanced, have better features and come with personalised service. An example of cost focus is Sonata watches, which are focused on delivering low-cost watches compared to competitors such as Rolex, Titan, Omega. Another watch brand, Titan, uses differentiation focus with a specific clock hand concentrating on the premium segment with a design of gems on their watches. The ACEH tourism industry also has several advantages that are unique, and that only exist in ACEH, such as the Tsunami based tourism object. In addition, based on the interviews that the researcher conducted with the stakeholders of industry tourism ACEH, generally ACEH tourism actors always try to pursue a prime service to please the hearts of tourists who come to ACEH. They also always try to reduce the cost to a minimum of possible prices to streamline the prices of the sales of travel packages. Even if the goal is to be able to increase awareness of tourist destinations that support the diversity of tourism objects, the capital to lead there is already a nature tourism object that is already in existence or that is man-made.

Therefore, performance should be measured using various measurement criteria at once (multiple measurements); if using a measurement with single measurements, then it will not be possible to provide a comprehensive understanding about the company's true performance (Clark, 2000). Clark, et al., (2000) stated that the measurement of marketing performance is a process in the business that provides feedback on performance related to the marketing efforts that have been made to the organisation. The feedback referred to is information about the market that can be found in another article. Clark (2000) states that measurement of marketing performance has attracted the attention of academics and practitioners due to several matters. Firstly, many companies want to increase profits by reducing the number of parts/departments thereby increasing efficiency on the operational level. The need for refocusing marketing activities to optimise future sales so as to achieve higher levels of profit and growth has increased demand from investors so that the enterprise can provide information.

Marketing as reported in the report (financial statement). This marketing however was previously only a little reported in enterprise performance. Third, there was a new concept that was sufficiently popular in its overall business performance measurement as shown by the balance score card (Sullivan and Abele, 2007).
Frameworks

The link between the variables follows the description of the research paradigm (relationship model) in question, and the following frame of thought in this study:

Figure 1

Method of Study

Location and Research Objects

To obtain accurate and relevant data, it is necessary to implement the research location. The research site that the author is investigating directly is the disaster tourism practitioner TOURSM in Aceh province. The objects in this research are linkages and relationships of location and objects. To obtain accurate and relevant data, it is necessary to implement the research location. The research site that the author is doing directly is on the disaster tourism practitioner TOURSM in Aceh province. While the objects in this study are linkages and relationships

Population and Sample Withdrawal

1. This research does not use the entire population, because it is sufficiently represented by some population members, called samples (Cooper and Schindler, 2006). It was not possible for researchers to examine the member of the entire population.
2. The sampling technique used in this study is a non probability sampling method using the purposive sampling technique, which means that the population to be sampled is a population with certain criteria. The criteria that must be fulfilled for samples in this
research were tailored to the observation unit, a tourist performer in the Disaster tourism sector that has been running as a business for two years. The sample size in this study was as much as 270 respondents. According to Hair et al. (2010), to reach 80 percent at a 5 percent trust rate then the number of samples for each indicator should be 5 or better if using 9 samples per indicator for the model estimation. The observation unit was made up of 270 customers. The data used in this study is primary data. Primary data is a source of research data obtained directly from the source without going through intermediaries and direct relationships with the issues studied. As for a series of data collection techniques, these may be questionnaires and polls. The model structure illustrates the relationship between the latent variables or between the exogenous variables and the endogenous variables, to test it the researchers used the Multiple Regression Analysis analysis tool to find out if there is a significant relationship between the exogenous (independent) variables with the endogenous (dependent) variable. If there is a relationship, it is then necessary to establish how strong the relationship is. The SEM Model of the study is as follows:

The structural equation model used is based on the thought frame that has been explained with the equation of Mathematics for the sub diagramming Line 1 : Y1 = Y1 X1 + Y1 X2 + e1

Description:: Line coefficient
Y1: Competitive Strategy: Cost Leadership and differentiation
X1: Co Creation Tourism Value Proposition
X2: Tourism Market Orientation
e1: Structural Error

1. Sub Line Chart 2
The mathematical equation for the sub-diagram of Line 2 is Z = ZX1 + Z X2 + ZY + e2

Description: Line coefficient
Z: Managerial perception of Marketing
X1: Co Creation Tourism Value Proposition
X2: Tourism Market Orientation
Y: Competitive Strategy: Cost Leadership and differentiation
e2: Structural Error

Sub Line Chart 3
The mathematical equation for sub-diagram Line 3 is:

Z= Z Y + Z Y + e3
Description: Line Charts

Z: Managerial perception of Marketing
X1: Co Creation Tourism Value Proposition
Y: Competitive Strategy: Cost Leadership and differentiation
e43: Structural Error

Results and Discussion

Model Conformance Test Result – Goodness of Fit Test

The test result of the model conformance on the analysis Factor Confirmatory is presented in the following table.

Table 1. Feasibility Testing Results Factor Confirmatory Variable Co-creation Tourism Value Proposition

<table>
<thead>
<tr>
<th>Goodness of Fit Index</th>
<th>Cut off value</th>
<th>Hasil</th>
<th>Evaluasi Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square (df=2)</td>
<td>Kecil (&lt; 36.919)</td>
<td>59,097</td>
<td>Baik</td>
</tr>
<tr>
<td>Probability</td>
<td>≥ 0.05</td>
<td>0,131</td>
<td>Baik</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤ 0.08</td>
<td>0,029</td>
<td>Baik</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0,963</td>
<td>Baik</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.90</td>
<td>0,940</td>
<td>Baik</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.95</td>
<td>0,940</td>
<td>Baik</td>
</tr>
</tbody>
</table>

Source: Processed primary Data, 2018

From the table above it is shown that the value of Chi Square = 59,097 with significance rate of 0131 indicates that the zero hypothesis that states that there is no difference between the sample covariant matrix with a matrix covariance of the population is assumed to be an acceptable meaning fit model. Likewise, the other measures of worthiness are also on good criteria.
Full Model Structural Equation Modelling (SEM) Analysis

As for the measurement of the model, it was analysed through the analysis factor Confirmatory and it was seen that each indicator can be used to define a latent construct, then a full model SEM can be analysed.

Hypothesis Testing

After assessment of the suitability of the model through the analysis of the goodness of fit and assumptions present in the SEM, subsequent hypothesis testing will be conducted. In accordance with the research objectives, Cost Leadership and differentiation in improving managerial perception of Marketing Minimarket in Aceh. To discuss such influences, analysis of the influence power between the construction both direct effect, indirect (indirect effect), and total effect. Based on processing, the following results are obtained:

Table 2: Hypothesis Testing

<table>
<thead>
<tr>
<th></th>
<th>Std.Est</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Strategy:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Leadership and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>differentiation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Co Creation Tourism</td>
<td>0.241</td>
<td>0.118</td>
<td>0.045</td>
<td>2.615</td>
</tr>
<tr>
<td></td>
<td>Value Proposition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Strategy:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost leadership and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>differentiation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tourism Market Orientation</td>
<td>0.185</td>
<td>0.080</td>
<td>0.035</td>
<td>2.299</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial Perception of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Competitive Strategy: Cost Leadership and Differentiation</td>
<td>0.188</td>
<td>0.241</td>
<td>0.107</td>
<td>2.257</td>
</tr>
</tbody>
</table>
Based on the results presented in the previous table it was shown that Competitive Strategy: Cost Leadership and differentiation variables are directly influenced by the Co Creation Tourism Value Proposition variable with a value of 0.241, the variable Competitive Strategy: Cost Leadership and differentiation are directly influenced by the Tourism Market Orientation variable with a value of 0.185, the variable managerial perception of Marketing is directly influenced by the Co Creation Tourism Value variable, the Proposition has a value of 0.044, the variable managerial perception of Marketing is directly influenced by the Tourism Market Orientation variable with a value of 0.149, the variable managerial perception of Marketing is directly influenced by the satisfaction variable with a value of 0.188. The result of the testing of the estimated parameters on the influence of Co Creation Tourism Value Proposition against Competitive Strategy: Cost Leadership and differentiation shows the CR value of 2.615 with a probability of 0.009. Probability value indicates < 0.05, then the model is accepted. The test results of the estimation parameters on the influence of Tourism Market Orientation on Competitive Strategy: Cost Leadership and differentiation showed a CR value of 2.299 with a probability of 0.022. Probability value indicates < 0.05, then the model is accepted.

Based on the results of the testing of the estimation parameters of Tourism Market Orientation on Competitive Strategy: Cost Leadership and differentiation shows that the second hypothesis (H2) is accepted. Therefore, the Tourism Market Orientation variable has a positive and significant effect on Competitive Strategy: Cost Leadership and differentiation. Based on the equation above it can be explained that if the Co Creation Tourism Value Proposition increased by 0.241 in the units of the Likert scale it will affect the increase in Competitive Strategy: Cost Leadership and differentiation of 0.241, and if customer value is increased by 0.185 on the unit of the Likert scale it will affect the increase in Competitive Strategy: Cost Leadership and differentiation by 0.185 based on the results of the estimated parameters of Tourism Market influence Orientation to Competitive Strategy: Cost Leadership and differentiation indicates that the second hypothesis (H2) is accepted.
The potesis used for this research, each variable, namely Co Creation Tourism Value Proposition, and Tourism Market Orientation, has an effect on the managerial perception of Marketing.

The second phase of hypothesis testing in this study is the Co Creation Tourism Value Proposition and Tourism Market Orientation variable affecting managerial perception of Marketing for the mini-market in Aceh. In the results of the second phase, the hypothesis test has two hypotheses used for this study, each of the Co Creation Tourism Value Proposition, and Tourism Market Orientation, has an effect on the managerial perception of Marketing. The second phase of hypothesis testing in this study is the Co Creation Tourism Value Proposition and Tourism Market Orientation variable affecting managerial perception of Marketing for the mini-market in Aceh. In the results of the second phase, the hypothesis test has two hypotheses, each of the Co Creation Tourism Value Proposition, and Tourism Market Orientation, has an effect on the managerial perception of Marketing.

*The Influence of Competitive Strategy: Cost Leadership and Differentiation Toward Managerial Perception of Marketing Mini-market in ACEH.*

The test results of the estimation parameters for Competitive Strategy: Cost Leadership and differentiation of managerial perception of Marketing showed a CR value of 2.257 with a probability of 0.024. Probability value indicates < 0.05, then the model is accepted. Based on the results of the testing of estimation parameters of Competitive Strategy: Cost Leadership and differentiation of customer trust indicates that H5 are accepted.

Based on the previous image, the customer trust was influenced by Competitive Strategy: Cost Leadership and differentiation with a coefficient of standardised value of 0.188. That is, there is a positive influence Competitive Strategy: Cost Leadership and differentiation to customer trust with a strength level of 0.188.

Meanwhile, the substructure estimation for Equation three is Competitive Strategy: Cost Leadership and differentiation to customer trust for shopping at the Mini-market can be described as follows:

**Result Substructure Line 3 Estimates**

The substructure of the line estimate for the equality influence of Competitive Strategy: Cost Leadership and differentiation towards the customer trust towards the Mini-market in ACEH is as follows:
Equation of Substructure path for third: \( Z = 0.188 \ Y \) Based on the equation above, it can be explained that if the shopping experience increased by 0.188 in the units of the Likert scale it will affect the increase in Competitive Strategy with Cost Leadership and differentiation of 0.188.

The effect of co creation tourism value proposition on managerial perception of marketing through competitive strategy: cost leadership and differentiation mini-market in ACEH can be analysed as follows. According to the previous table, the company's loyalty is directly influenced by Co Creation Tourism Value Proposition with a coefficient of standardised value of 0.044 and indirect effects of 0.045. Thus, the total effect is 0.089. Because the total influence is greater than the direct influence it can be concluded that Competitive Strategy: Cost Leadership and differentiation have an important role in the dissemination of the shopping experience influence on managerial perception of Marketing Mini-market in ACEH. Further, it can be concluded that there is a positive influence of Co Creation Tourism Value Proposition managerial perception of Marketing through Competitive Strategy: Cost Leadership and differentiation with a strong level of Influence of 0.089. Thus H10 is acceptable. Based on the previous image it was established that corporate loyalty is directly influenced by Tourism Market Orientation with a coefficient value of standardised of 0.149 and indirect effects of 0.064. Thus, the effect of total effect is 0.213. Because the total influence is greater than the direct influence it can be concluded that Competitive Strategy: Cost Leadership and differentiation have an important role in the dissemination of Tourism Market Orientation towards managerial Perception of Marketing Mini-market in ACEH. Further, it can be concluded that there is a positive influence on Tourism Market Orientation on managerial perception of Marketing through Competitive Strategy: Cost Leadership and differentiation with a level of influence of 0.213.

**Mediating Variable Role Analysis**

The results showed that Tourism Market Orientation either directly or indirectly has a significant influence on managerial perception of Marketing through Competitive Strategy: Cost Leadership and differentiation, while Co Creation Tourism Value Proposition directly does not significantly affect the managerial perception of Marketing but indirectly affects the loyalty. This proves that the Co Creation Tourism Value Proposition to increase loyalty must be through Competitive Strategy: Cost Leadership and differentiation in order to increase managerial perception of Marketing, while the Tourism Market Orientation directly has an influence on Increased Competitive Strategy: Cost Leadership and differentiation, then Tourism Market Orientation also has a direct influence on managerial perception of Marketing.
Conclusion

1. (H1) hypothesis testing is a descriptive hypothesis method conducted using one sample test with a cut off of 3.4 with the result as shown in the Table One sample Test, all visible indicators in the four existing variables have a number. The significance is far below 0.05. Thereby, all the Variables can be concluded in this research, namely Co Creation Tourism Value Proposition, Tourism Market Orientation, Competitive Strategy: Cost Leadership and Differentiation and Managerial Perception of Marketing Performance as being good.

2. Criteria and RMSEA 0, 05-0, 08 has entered in the range of limits required until the model measurement is deemed to have fulfilled the condition and may be said to be fit to be extended to the structural level.

3. Variables independent and intervening have the influence of significance to improve the performance of the dependent variables; throughout the variable independent and intervening can be increased.

4. Regarding the Testing of the hypothesis indirectly to see the influence of Co-creation value against Managerial Perception of Marketing Performance through competitive strategy, for future research, we recommend completing this research by incorporating a moderation variable in the research model. The application of moderation models, especially for different types of tourist segments such as country origin or type of tourist attraction to be enjoyed in ACEH will give a more intact picture, not only to complement the referral in performance development Tourism marketing, but also to provide deeper insight as input for tourism actors in ACEH in understanding the behaviour affecting tourism which makes ACEH one of its tourist destinations.
REFERENCE


