ABSTRACT

The intensifying business competition that occurs in marketing, particularty among MSMEs in ffood and beverage sector in Semarang City, has prompted companies to implement effective marketing strategies to win the competition by building a strategic integration of Market Orientation and Social Media Usage to enhance Marketing Performance through Service Differentiation.

This study was stemmed from identified information or knowledge gaps in prior studies, it is necessary to obtain result that are relevant to current conditions by proposing a theoretical model and 5 hypotheses. This study involved 353 samples from a total population of 3.031 MSMEs. The study employs Probability Sampling technique as a from Simple Random Sampling and used Structural Equation Modeling (SEM)-AMOS serving as an analysis tool. The result of data analysis showed Goodness of Fit with a Chi-Square value=124.072; Probability=0.000; CMIN/DF=0.984; RMSEA=0.066; GFI=0.943; AGFI=0.908; TLI=0.937; and CFI=0.954. These findings indicated that the proposed research model was acceptable.

The findings showed that there was an influence between Market Orientation, Social Media Usage on Marketing Performance through Service Differentiation, both directly and indirectly. In other words, there was an influence between Service Differentiation on Marketing Performance. Hence, all assumptions in this research were accepted.

Keywords: Market Orientation, Social Media Usage, Service Differentation, Marketing Performance.