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Sustainable Physical Resources to Value Co-Creation, Pareto Sales Network, and Marketing Performance

[1]Marlia Rianti, [2]Muliana, [3]Emmi Azis, [4]Agustang, [5]Widya Wahyuni Asnur
[1,2,3,4,5]Universitas Muhammadiyah Bone, Indonesia

Abstract

This study aims to analyze sustainable physical resources on value co-creation, Pareto sales network, and marketing performance of Bugis silk weaving IKM in Bone Regency. The stages of the research method start from theoretical studies and empirical studies, preparation of proposals, testing the validity and reliability of research instruments, data collection, analysis, and discussion. The data analysis used is a quantitative approach with SEM analysis through data processing assisted by SPSS and SMART PLS. The results of the study show that: 1. Sustainable Physical Resources have a direct effect on Value Co-Creation, 2. Sustainable Physical Resources directly affect the Pareto Sales Network, 3. Sustainable Physical Resources have a direct effect on Marketing Performance, 4. Value Co-Creation has a direct effect on Directly on Marketing Performance, 5. Pareto Sales Network has a direct effect on Marketing Performance, 6. Value Co-Creation mediates the effect of Sustainable Physical Resources on Marketing Performance, 7. Pareto Sales Network mediates the influence of Sustainable Physical Resources on Marketing Performance.

Keywords: sustainable physical, co-creation, sales network, marketing performance

1. Introduction

Small and Medium Industries (IKM) are independent businesses that play a role in employment (Sukarno, 2018). They are essential in economic growth (Lantu, Triady, Utami, & Ghazali, 2016), the main factor in promoting private sector development and partnerships (Semrau, Ambos, & Kraus, 2016) contributed to the growth of gross domestic product (Eberhard & Craig, 2013). South Sulawesi Province places IKM as the dominant economic actor reaching 99.99% of the national economy. These SMEs contributed to the formation of GDP in 2017 by 58.05% and increased to 59.08% in 2018 (Bank Indonesia, 2018). However, the large contribution of SMIs in aggregate does not reflect the best performance of Indonesian SMEs in domestic and foreign market competition. This is due to the various problems faced by SMEs in Indonesia. (Lantu et al., 2016).

As one part of the IKM, the Bugis silk weaving industry in Bone Regency has not been able to contribute to economic growth, even though one of the centers of the Bugis silk weaving industry, with the characteristics of the best quality *lipa sabbe* products, is in Opo Village. Although Bugis silk weaving has the opportunity as a leading commodity, the business trend has not shown an increase in business income and a tendency to decrease the number of business actors for the last three years, as reported (Iwang, 2020).

Marketing performance is one of the topics that is still being studied in the scientific literature. Phenomena related to variables that should be suspected are related to the low marketing performance of Bugis silk weaving in Bone Regency. First, in terms of product orientation, Bugis silk weaving SMEs have not prioritized innovation in the production process, especially in terms of novelty, because the woven products already have their uniqueness which is the product's originality. Second, regarding

Correspondent Author: Sustainable Physical Resources, E-Mail: lia_agb06@yahoo.co.id

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entrepreneurial orientation, IKM actors have not dared to take risks using raw materials and different designs, are not actively providing customer information, and have not made new innovations. Third, regarding sustainable physical resources, IKM actors have not been able to integrate all the physical resources used, thus threatening the sustainability of local resources. Fourth, the value co-creation of IKM actors is still low, indicated by the slow response to changes to customer desires, both in design and quality. Fifth, silk-weaving SMEs have not implemented the Pareto Sales Network, so they do not have loyal customers and a limited network.

According to (Tae Ferdinand & Lumban Batu, 2013) marketing performance is something the company wants to achieve, namely the company's ability to streamline and increase market share and profitability. Meanwhile, (Ogi, Massie, & Lapian, 2016) suggest that marketing performance is a factor used to measure the impact of a company's strategy with income level indicators. Indicators of sales growth, customer growth, and new markets measure marketing performance. (Sayekti & Soliha, 2016)(Sari, 2013).

Value creation is the contribution to the benefits of the final product or service and the difference between the benefits and costs that the company charges for the product or service. Value co-creation is considered an approach to increasing value for customers and companies (Pagani, 2013) (Witell, Kristensson, Gustafsson, & Löfgren, 2011) (Saarijärvi, Kannan, & Kuusela, 2013).

Customer value creation is measured by three items that reflect the company's efforts to respond to customer demands quickly, easily adapt to changes in customer needs, and deliver high-quality products (O'Cass & Sok, 2013). A recent study in 2021 stated that the value of co-creation resulted from the integration between consumers and companies through the implementation of co-development, co-design, and co-process. (Indriastuti, Robiansyah, & Anwar, 2021).

Customer portfolio is widely used in management research (Hiziroglu, Patwa, & Talwar, 2012). Applying the Pareto concept in marketing strategy, especially in distribution smoothing channels, can be understood in several ways. First, the Pareto concept is relevant to market coverage efficiency because companies working with larger distribution channels will be more efficient in covering a larger area of consumer engagement. Second, working with sizeable potential distribution channels will increase the company's strategic readiness to improve the relationship performance of producers and distribution member channels. (Augusty Tae Ferdinand & Killa, 2018). Likewise (AT Ferdinand & Killa, 2014) suggested that Pareto's sales network assets as a high-impact strategic customer group are characterized by a larger business size, a more comprehensive consumer network, and loyalty to the company.

The success of the company is primarily determined by the resources it has and the company's capabilities that can turn those resources into an economic benefit. Firm resources can be tangible (for example, factories, land, vehicles, raw materials, and machinery) or intangible (brand, reputation and expertise, company culture, structure, perceptions, and own processes). (Ferreira, Azevedo , & Ortiz, 2011).

(Quaye & Mensah, 2019) Offers an alternative framework, namely a resource capability-based view (RCBV), that provides marketing direction for SMEs on innovative and dynamic and integrated marketing practices to create a sustainable market advantage for SMEs. This study proposes an integrated and elaborative approach to the conventional resource-based view and dynamic capability theory to increase competitive advantage by using and incorporating specific resources that drive manufacturing SMEs' marketing performance in domestic and international markets.

Strategic resources have four qualities: Value – resources that can produce something that consumers value; Scarce – resources must be limited in supply; Inimitable – the resource must be unique so that it is difficult to imitate; and Non-substitutability – the help must have some substitution value. (Davis, Desplaces, Falbe, & Welsh, 2012)

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The point of this paper is that a sustainable physical resource-based approach is a new framework viewed from four research perspectives. First, Sustainable Physical Resources are defined as the ability of Bugis silk-weaving SMEs to provide physical resources (raw materials and technology) to operate sustainably. Second, the approach based on Sustainable Physical Resources is expected to provide value-added theoretical propositions tested in the marketing performance literature by measuring resource functionality, resource combination, and resource creation. Third, the view of Sustainable Physical Resources is by the organization's economic paradigm. Fourth, the resource view complements industrial organization research.

Firms gain a competitive advantage and improve performance by channeling resources into developing new products, services, and processes (Akgün, Keskin, & Byrne, 2014). Company resources and capabilities are essential in business-level strategy (Dibrell, Davis, & Craig, 2008). The study's results (Aspara & Tikkanen, 2013) show a positive and significant effect of emphasizing value creation strategies on firm performance while emphasizing strategic value capture has no significant impact on athletic performance. Similar results were also found by (Sullivan, Peterson, & Krishnan, 2012), which positively affect value creation on sales performance. Pareto's sales network assets as a high-impact strategic customer group are characterized by a larger business size, a more comprehensive consumer network, and loyalty to the company (AT Ferdinand & Killa, 2014). From the point of view of sales management, network to distribution channels is one of the best ways to deliver products to end users. Therefore, building, maintaining, and using Pareto sales network assets should be considered as an appropriate mediator for the relationship between EO and sales growth performance (Augusty Tae Ferdinand & Killa, 2018).

Many researchers and marketing experts carry out various approaches to understanding marketing performance. The latest empirical research has limitations, namely the variable value co-creation (Killa, 2014) and the Pareto sales network (Augusty Tae Ferdinand & Killa, 2018). Inconsistent research findings and limitations are gaps that can be used to re-examine the relationship between the variables studied. Pareto sales network and value co-creation approaches are appropriate from the point of view of superior customer value. However, the author believes both are in a different position, where value co-creation is process-oriented, while the Pareto sales network is results-oriented. When viewed from the systems approach, it appears that the combination of research models (Killa, 2014) and (Mohammad, Massie, & Tumewu, 2018) leaves questions about the existence of inputs, as explained by (Jackson, 2003) that the essential elements or components of the system are input, process, output, and feedback. For information required, resources and production can be expanded into impact and added that the systems approach is the application of scientific systems in management.

Based on this, the authors are of the view that if both are customer-based, process-oriented, and results-oriented, the researcher proposes a new input-oriented variable, namely how to manage tangible and intangible resources based on the Resourced Based Value theory that was first proposed (Lockett, A., Thompson, S., and Morgenstern, 2009) who recognize the importance of resources for a company's competitive position through the use of resources. Similarly (to Davis et al., 2012), the resource-based approach can improve company performance. The new variable proposed in this study is sustainable physical resources with indicators of resource functionality, resource recombinations, and resource creation and decay.

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2. Method

The research approach used is quantitative, which departs from theory to present data in numbers and analyzes statistically. Based on the level of explanation, this research is associative research. Based on the data collection, this research is survey research. Based on the data type, the approach used in this study is a cross-section, namely the collection of research data conducted at a particular time. (Sugiyono, 2015).

This research was conducted on Bugis Silk Weaving SMEs in Opo Village, Bone Regency, South Sulawesi. The study will be conducted for six months, April – September 2022. The population of this research is all actors of Bugis Silk Weaving SMEs in Opo Village, Bone Regency, South Sulawesi, with as many as 215 people. The determination of the number of samples in this study is based on the Isaac and Michael sample table. If the population is 215, at a 95% confidence level, the piece is 167. Determination of the model is done by simple random by providing equal opportunities for all elements of the population to be drawn as a sample.

The research instrument used is a questionnaire with several written questions to obtain information. Before the questionnaire was used, it was tested for validity and reliability. The measurement of variables uses an interval scale, a data measuring tool that produces data with a range of values that have meaning (A.T. Ferdinand, 2002). The technique used is the agree-disagree scale, developing statements that make answers from disagree to strongly agree in various value ranges (1-10).

This study aims to analyze the effect of exogenous variables on endogenous variables. These variables are latent variables formed by several indicators (observed variables). Therefore, to analyze the data in this study, the technical analysis of Structural Equation Modeling (SEM) was used using the SMART PLS program. Another supporting program used in data processing and analysis of research results is the Statistical Package for Social Science (SPSS 22.00). (A.T.Ferdinand, 2002).

3. Result

Hypothesis testing used the Partial Least Square (PLS) method in this study. PLS is an alternative method of analysis with Structural Equation Modeling (SEM) based on variance. The advantage of this method is that it does not require assumptions and can be estimated with a relatively small number of samples. The tool used is the SmartPLS Version 2 program, as described below:

Validity test

An indicator is declared valid if it has a loading factor above 0.5 for the intended construct. The SmartPLS output for the loading element gives the following results:

Table 1. Observe Variable Validity Test

Observe Variable	*Loading Factor*	Standart	Description
SPR1	0,518765	0,50	Valid
SPR2	0,519678	0,50	Valid
SPR3	0,517998	0,50	Valid
VCC1	0,514498	0,50	Valid
VCC2	0,843327	0,50	Valid
VCC3	0,753332	0,50	Valid
PSN1	0,832212	0,50	Valid
PSN2	0,642211	0,50	Valid
PSN3	0,753329	0,50	Valid
KINPE1	0,679991	0,50	Valid
KINPE2	0,523345	0,50	Valid
KINPE3	0,658822	0,50	Valid

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The table above shows that the loading factor exceeds the recommended value of 0.5. The smallest value is 0.514498 for the VCC1 indicator (the first indicator of the Value Co-Creation variable). This shows that all observed variables, indicators of this research, are valid. In addition to the tests above, validity testing for reflective indicators (keep variables) can also use the correlation between item and construct scores. Measurements with reflective hands show a change in a hand in a construct if other indicators in the exact construct change (or are removed from the model). Reflective hands are suitable for measuring perception, so this study uses reflective hands. The results of the reflective indicator test are also necessary with the following cross-loading:

Table 2. Matrix of Cross Loading Factor Value of Each Observed Variable

	Sustainable Physical Resources (SPR)	Value Co Creation (VCC)	Pareto Sales Network (PSN)	Marketing Performance (KINPE)
SPR1	**0.518765**	0.442567	0.111973	0.178356
SPR2	**0.519678**	0.211000	0.119900	0.195694
SPR3	**0.517998**	0.286759	0.312767	0.156735
VCC1	0.129856	**0.843327**	0.111973	0.381167
VCC2	0.112394	**0.753332**	0.119900	0.191528
VCC3	0.196535	**0.832212**	0.345856	0.192876
PSN1	0.119876	0.254489	**0.523345**	0.295629
PSN2	0.197767	0.278356	**0.658822**	0.191173
PSN3	0.277700	0.295694	**0.641199**	0.192200
KINPE1	0.216666	0.256735	0.296322	**0.846663**
KINPE2	0.296529	0.299630	0.322535	**0.751110**
KINPE3	0.111973	0.389167	0.197767	**0.830099**

An indicator is declared valid if it has the highest loading factor for the intended construct compared to the loading factor for other constructs. The table above shows that the loading factor for the Observe Resource Combination (SPR2) variable has a loading factor for the SPR construct that is higher than for the other constructs. The value of the variable loading factor observed Speed of Responding to Customer Desires (VCC1) has a loading factor for the VCC construct, which is higher than other constructs. The value of the loading element observes the variable Customers with High Purchases (PSN2) have a loading factor for the PSN construct that is higher than with other constructs. The value of the loading element observes variable Sales Growth (KINPE1) has a loading factor for the KINPE construct, which is higher than with other constructs. Thus, it can be stated that all observed variables can predict latent variables in their block better than observed variables in different leagues.

Reliability Test

The reliability test is carried out by looking at the composite reliability value of the indicator block that measures the construct. The results of composite reliability will show a fair deal if it is above 0.7. The following is the combined reliability value in the output:

Table 3. Reliability Test with Composite Reliability Value

	Composit Reliability	Standart	Description
SPR	0,882519	0,70	Reliable
VCC	0,782667	0,70	Reliable
PSN	0,895564	0,70	Reliable
KINPE	0,865659	0,70	Reliable

The table above shows that the composite reliability value for all constructs is above 0.7, indicating that all constructs in the estimated model meet the discriminant validity criteria. The lowest combined reliability value is 0.782667 in the latent variable Value Co-Creation. The reliability test can also be

Correspondent Author: Sustainable Physical Resources, E-Mail: lia_agb06@yahoo.co.id

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strengthened with Cronbach's Alpha, where the output of SmartPLS Version 2 gives the following results:

Table 4. Reliability Test with Cronbac's Alpha Value

	Cronbac's Alpha	Standart	Description
SPR	0,869000	0,60	Reliable
VCC	0,626000	0,60	Reliable
PSN	0,833000	0,60	Reliable
KINPE	0,943000	0,60	Reliable

The recommended value is above 0.6, and the table above shows that Cronbach's Alpha value for all constructs is above 0.6. The lowest value is 0.626000 in the latent variable Value Co-Creation (VCC).

Structural Model Testing (Inner Model)

After the estimated model meets the Outer Model criteria, the next step is to test the structural model (Inner model). Here are the R-Square values in the construct:

Table 5. R Square Value

	R Square
SPR	-
VCC	-
PSN	-
KINPE	0,899719

The table above gives a value of 0.899719, which indicates that sustainable physical resources, value co-creation, and Pareto sales network can explain the variation in the Marketing Performance of Silk Weaving SMEs by 89.9719%, while other variables outside the model influence the rest. This value also indicates that the model is good (greater than 0.67).

Hypothesis test

The size of the significance of the hypothesis support can be used to compare the values of t-table and t-statistics. The hypothesis is supported or accepted if the t-statistic is higher than the t-table value or can also compare the p-value with the value used. The t-table value for the one-tailed hypothesis with a confidence level of 95 percent (α=0.05) is 1.960. The study's hypothesis's support occurs when the t-statistic significance> 1.960 or the p-value < = 0.05. The PLS analysis used in this study was conducted using the SmartPLS version 2.0 program, which was run on computer media. Hypothesis testing is as follows:

Table 6. Path Coefficient Value and t-test

	Koefisien Path	T Statistics	t-Standart	Description
SPR->VCC	0,321657	5,121328	> 1,96	Significant
SPR->PSN	0,302123	9,191266	> 1,96	Significant
SPR->KINPE	0,213346	7,192190	> 1,96	Significant
VCC->KINPE	0,417778	4,112915	> 1,96	Significant
PSN->KINPE	0,341987	8,184942	> 1,96	Significant

The table above shows the significant relationship between sustainable physical resources and Value Co-Creation, with a T-statistic of 5.121 (> 1.96). The original sample estimate value is positive, which is 0.321, which indicates that the direction of the relationship between sustainable physical resources

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and Value Co-Creation is positive. Thus the H1 hypothesis in this study states that 'sustainable physical resources affect Value Co Creation' is accepted.
The relationship between sustainable physical resources and the Pareto Sales Network is significant, with a T-statistic of 9.191 (> 1.96). The original sample estimate value is positive, which is 0.302, which indicates that the direction of the relationship between sustainable physical resources and the Pareto Sales Network is positive. Thus hypothesis H2 in this study states that 'sustainable physical resources affect the Pareto Sales Network is accepted.
The relationship between sustainable physical resources and marketing performance is significant, with a T-statistic of 7.192 (> 1.96). The original sample estimate value is positive, which is 0.213, which indicates that the direction of the relationship between sustainable physical resources and Marketing Performance is positive. Thus, the H3 hypothesis in this study states that 'sustainable physical resources affect Marketing Performance, is accepted.
The relationship between Value Co-Creation and Marketing Performance is significant, with a T-statistic of 4.11 (> 1.96). The original sample estimate value is positive, which is 0.417, which indicates that the direction of the relationship between Value Co-Creation and Marketing Performance is positive. Thus, hypothesis H4 in this study states that Value Co-Creation affects Marketing Performance is accepted.
The relationship between Pareto Sales Network and Marketing Performance is significant, with a T-statistic of 8.184 (> 1.96). The original sample estimate value is positive, namely 0.341, which indicates that the direction of the relationship between Pareto Sales Network and Marketing Performance is positive. Thus hypothesis H5 in this study which states that 'Pareto Sales Network affects Marketing Performance,' is accepted.
Based on the original sample estimate value, it is obtained that the highest importance that directly affects Marketing Performance (KINPE) is Work Motivation (MK) which is 0.721. This shows that the Pareto Sales Network substantially influences Marketing Performance more than other variables. Based on these results, the structural model can be described as follows:

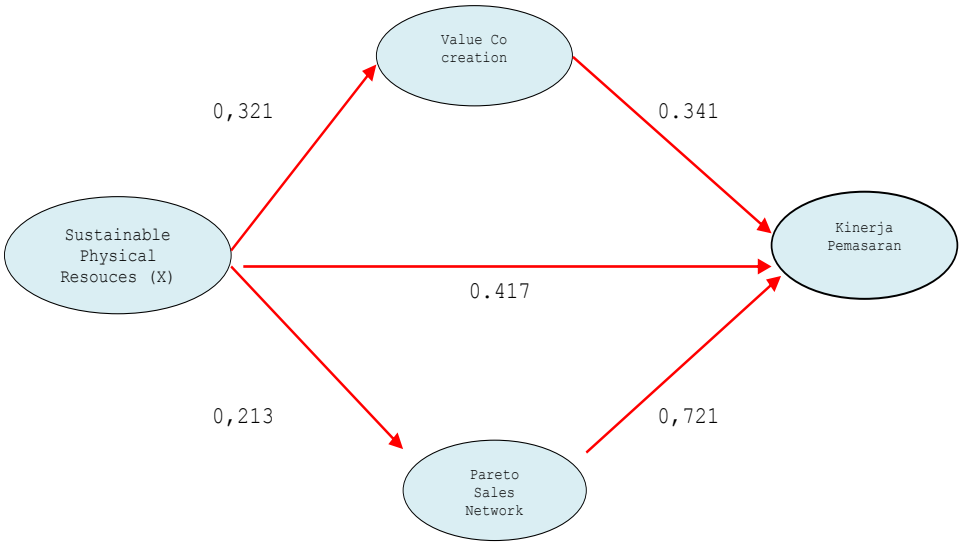

Image 1. Structural Model of the Effect of Sustainable Physical Resources on Value Co-Creation, Pareto Sales Network, and Marketing Performance of Bugis Silk Weaving IKM

Mediating Effect Test

Furthermore, the mediation effect was tested to determine the impact of sustainable physical resources on value co-creation, Pareto sales network, and marketing performance of Bugis silk weaving IKM. The first step in the mediation testing procedure is that the direct impact of the independent variable on the dependent variable must be significant. Second, the indirect impact must be substantial, each path,

Correspondent Author: Sustainable Physical Resources, E-Mail: lia_agb06@yahoo.co.id

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namely the independent variable on the mediating variable and the mediating variable on the dependent variable, must be substantial to meet this condition. The formula obtains this indirect effect for the influence of the independent variable on the mediating variable multiplied by the impact of the mediating variable on the dependent variable (Hair et al., 2013 in Sholihin, 2014:82). If the indirect impact is significant, then this indicates that the mediating variable can absorb or reduce the direct impact on the first test. Third, calculating VAF with a formula (Hair et al., 2013 in Sholihin, 2014:82). If the VAF value is above 80%, it indicates the role of Y1 and Y2 as complete mediation. Categorized as partial mediation if the VAF value ranges from 20% to 80%, but if the VAF value is less than 20%, it can be concluded that there is almost no mediating effect. Based on the calculation results, the VAF value is obtained as follows:

Table 7. Effect of Mediation Variable with VAF . Value

	Direct Effect	Indirect Effect	VAF
SPR->VCC	0,302123		
VCC-> KINPE		0,321657	0,507
SPR->PSN	0,417778		
PSN->KINPE		0,213346	0,663

The table above shows Value Co-Creation as a partial mediator between sustainable physical resources on Marketing Performance, with a VAF value of 50.7%. Likewise, the Pareto Sales Network is a partial mediator between sustainable physical resources on Marketing Performance, with a VAF value of 66.3%.

4. Ddiscussion

The Effect of Sustainable Physical Resources on Value Co Creation

The calculation results show a significant relationship between sustainable physical resources and Value Co-Creation, with a T-statistic of 5.121 (> 1.96). The original sample estimate value is positive, which is 0.321, which indicates that the direction of the relationship between sustainable physical resources and Value Co-Creation is positive. Thus the H1 hypothesis in this study states that 'sustainable physical resources affect Value Co Creation' is accepted.

The results of the descriptive analysis show that the management of physical resources has been carried out sustainably by the perpetrators of Bugis silk weaving SMEs in Bone Regency and has influenced the value creation process for customers. This shows that the better and more sustainable the management of physical resources, the stronger the process of creating value for customers will be. Thus, Bugis silk weaving SMEs in Bone Regency are very important to map the potential of their physical resources by understanding the function of the material resources used, using a more varied combination of biological resources, and the ability to create physical resources independently.

The Effect of Sustainable Physical Resources on the Pareto Sales Network

The calculation results show that sustainable physical resources with Pareto Sales Network are significant, with a T-statistic of 9.191 (> 1.96). The original sample estimate value is positive, which is 0.302, which indicates that the direction of the relationship between sustainable physical resources and the Pareto Sales Network is positive. Thus hypothesis H2 in this study states that 'sustainable physical resources affect the Pareto Sales Network is accepted.

The results of the descriptive analysis show that the management of physical resources has been carried out sustainably so that it has an impact on the Pareto sales network by Bugis silk weaving IKM actors in Bone Regency, which is characterized by high customer loyalty and consistent with sales in large quantities with an expanding network of year to year.

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The Effect of Sustainable Physical Resources on Marketing Performance

The calculation results show that sustainable physical resources with Marketing Performance are significant, with a T-statistic of 7.192 (> 1.96). The original sample estimate value is positive, which is 0.213, which indicates that the direction of the relationship between sustainable physical resources and Marketing Performance is positive. Thus the H3 hypothesis in this study, which states that 'sustainable physical resources affect Marketing Performance, is accepted.

The results of the descriptive analysis show that the management of physical resources has been carried out sustainably to improve marketing performance through increased sales growth, customer growth, and market coverage reached by Bugis silk weaving SMEs in Bone Regency.

Effect of Value Co Creation on Marketing Performance

The calculation results show that Value Co-Creation with Marketing Performance is significant, with a T-statistic of 4.11 (> 1.96). The original sample estimate value is positive, which is 0.417, which indicates that the direction of the relationship between Value Co-Creation and Marketing Performance is positive. Thus hypothesis H4 in this study which states that Value Co-Creation affects Marketing Performance, is accepted.

The results of the descriptive analysis show that the process of creating value for customers is through the ability to respond quickly to customer desires, easily adapt to customer desires which are very varied and easy to change according to market tastes, and strive to create the best quality woven sarongs. This shows that the ability of Bugis silk weaving SMEs to create superior value for customers can improve marketing performance continuously from year to year.

Effect of Pareto Sales Network on Marketing Performance

The calculation results show that the Pareto Sales Network with Marketing Performance is significant, with a T-statistic of 8.184 (> 1.96). The original sample estimate value is positive, namely 0.341, which indicates that the direction of the relationship between Pareto Sales Network and Marketing Performance is positive. Thus hypothesis H5 in this study which states that 'Pareto Sales Network affects Marketing Performance,' is accepted.

The results of the descriptive analysis show that the Pareto marketing network, which is characterized by ownership of 20% of loyal old customers, 20% ownership of high-purchase customers, and 20% ownership of customers with an extensive network, can improve the sales performance of Bugis silk weaving SMEs in Bone Regency.

The Influence of Sustainable Physical Resources on Marketing Performance Through Value Co-Creation Mediation

The calculation results show that Sustainable Physical Resources positively affect Marketing Performance Through Value Co-Creation Mediation. This can be seen from the VAF value of 0.507 or 50.7% and is categorized as a partial mediator if the VAF value ranges from 20% to 80%. Thus the research hypothesis that Value Co-Creation mediates the effect of Sustainable Physical Resources on Marketing Performance is proven.

The results of this study indicate that improving marketing performance can be done by managing sustainable physical resources through superior customer value creation. Based on the results of this study, it can be seen that value co-creation plays a vital role as one of the triggers for increasing marketing performance. So, with the superior value creation process for customers, the sustainable management of physical resources will be encouraged to improve marketing performance.

The Effect of Sustainable Physical Resources on Marketing Performance Through Pareto Sales Network Mediation

The calculation results show that Sustainable Physical Resources positively affect Marketing Performance Through Pareto Sales Network Mediation. This can be seen from the VAF value of 0.663 or 66.3% and is categorized as a partial mediator if the VAF value ranges from 20% to 80%. Thus the

Correspondent Author: Sustainable Physical Resources, E-Mail: lia_agb06@yahoo.co.id

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research hypothesis that the Pareto Sales Network mediates the effect of Sustainable Physical Resources on Marketing Performance is proven.

The results of the descriptive analysis show that the improvement of marketing performance can be made by sustainable physical resource management through the Pareto sales network. Based on the results of this study, it can be seen that the Pareto sales network plays a vital role as one of the triggers for increasing marketing performance. So with the more comprehensive Pareto sales network, the sustainable management of physical resources will be encouraged to improve marketing performance.

5. Conclusion

Based on the results and discussion, several conclusions were obtained, namely:

a. Sustainable Physical Resources directly affect Value Co-Creation
b. Sustainable Physical Resources directly affect the Pareto Sales Network
c. Sustainable Physical Resources directly affect Marketing Performance
d. Value Co-Creation has a direct effect on Marketing Performance
e. Pareto Sales Network has a direct effect on Marketing Performance
f. Value Co-Creation mediates the influence of Sustainable Physical Resources on Marketing Performance
g. Pareto Sales Network mediates the influence of Sustainable Physical Resources on Marketing Performance

Based on the conclusions above, it is known that the approach based on Sustainable Physical Resources can be used in providing added value theoretical propositions because it has been tested by measuring resource functionality, resource combinations, and resource creation.

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