Analysis of Marketing Strategy on Financial Performance Through Marketing Performance with Environmental Uncertainty as Moderating Variable in Islamic Banks in Jambi

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Abstract: This study aims to analyze the marketing strategy on financial performance through marketing performance with environmental uncertainty as a moderating variable in Islamic banks in Jambi. The sample in this study was 40 people/respondent, the data analysis technique used SEM-PLS with the help of the SmartPLS application. The findings in this study: 1. There is a positive and significant influence between marketing strategies on the marketing performance of Islamic banks in Jambi Province. 2. There is a positive and significant influence between the marketing strategy on the financial performance of Islamic banks in Jambi Province. 3. There is a Positive and Significant Influence between Marketing Strategy on Marketing Performance Moderated by Environmental Uncertainty of Islamic Banks in Jambi Province. 4. There is a Positive and Significant Influence between Marketing Strategy on Financial Performance Moderated by Environmental Uncertainty of Islamic Banks in Jambi Province. 5. There is a Positive and Significant Influence between Marketing Performance on Financial Performance in Islamic Banks in Jambi Province. 6. There is a Positive and Significant Effect between Marketing Strategy on Financial Performance through Marketing Performance at Islamic Banks in Jambi Province. All research findings have met the conditions that must be met in the SEM-PLS model.

Keywords: Marketing Strategy, Marketing Performance, Financial Performance, Environmental Uncertainty, and Islamic Bank

INTRODUCTION

Institutions in Indonesia are divided into two groups, namely conventional financial institutions and Islamic financial institutions. The presence of sharia-based banks in Indonesia is still relatively new, namely in the early 1990s.

It should be in the Republic of Indonesia that Sharia businesses must be dominant, this is based on the dominance of the Muslim population, this is also in line with the development

of the current economic era or the era of "*digitalization*", marked by increasingly fierce competition, rapidly changing environment, and increasingly difficult times. difficult to predict, especially in the service sector. All companies compete for competitive advantage to showcase business , technology, and management innovation. Therefore, the Company needs to develop strategies to achieve its goals so that these goals can be achieved. Hoskisson & Hitt, (1990) . And can also achieve the desired strategic results in the form of high competitiveness and profitability Kotler & Keller, (2006).

The business competition that has been described previously is seen from the perspective of the global market, this feature is the attraction of the product (attractiveness) or services that encourage global customers to choose a product or service from the many available options. The factors that influence the choice from the customer's point of view are Quality (*Quality*), Price (*Price*), Delivery (*Delivery*) and Service (*Service*). In this study, the author tries to present different bank marketing strategies which are grouped into two broad categories: growth and competition strategies. various marketing strategies, suggesting several alternative strategies suitable for different banks and emphasizing criteria on the basis on which the selection of marketing strategies by banks can be carried out.

The author also compares this marketing strategy research with financial performance to see how the financial performance of Islamic banking can affect the growth of Islamic banking itself, because the level of health of a business organization will definitely greatly affect the financial situation and condition of the business organization.

Banking when viewed from the aspect of financing provided compared to Islamic banking is still growing very proudly and quite high. This of course makes many parties appreciate the hard work of all stakeholders who see banks registering very good growth . Meanwhile, there are 3 pillars so that the market *share* of Islamic banks can dominate. First, strengthening the identity of sharia banking, synergizing the sharia economic ecosystem, and strengthening processes, regulations and supervision.

Same performance measurement as conventional banking. The Maqasyid sharia index method which only focuses on financial performance but also social performance that has a broad impact on society. With the Maqasid Syariah Index method, it is hoped that the performance of Islamic banking in Indonesia can be compared with Islamic banking in other countries because the measurement method is in accordance with sharia principles, and contains relevant and appropriate information to *stakeholders*, management, and other users of financial statements. Marketing strategy analysis will be supported by the level of soundness and financial capability of business companies, especially Islamic banking, to be able to increase the growth of Islamic banking in Jambi province.

In order for the growth of Sharia banking in Jambi Province to be created, there must be a relationship between every stakeholder that exists specifically for the government as a regional policy maker, then the region has also received a mandate to implement Regional Autonomy in accordance with the implementation of Law no. 32 of 2004 concerning Autonomy Regional or Centralized government and implementation of Law no. 18 years 1999 concerning Construction Services, the Construction Services community is encouraged to improve ability and competitiveness so that they can become masters home in their own country. Each region is expected to improve potency superiority comparative by optimal and sharpen principle specialization Mahadewi & Winarko, (2012).

LITERATURE REVIEW
Marketing strategy
Marketing strategy according to (Cravens, 1998), has important implications for interactions between companies and consumers, as the key to obtaining and identifying

company goals, customer satisfaction and needs compared to competitors. Marketing strategy is a managerial process in the field of marketing to develop and maintain so that the objectives, *skills, knowledge, resources* are in accordance with the opportunities and threats in an ever-changing market and aim to improve the company's business and products so as to meet profit and growth targets (Pearce et al. al., 1987) .

This study refers to the marketing mix proposed by (McCarthy, 2006), namely *product, price, place, promotion*, known as the 4Ps, which are still relevant, identify the target market for goods and services sharply, develop the marketing mix, unique in nature. encourage companies to be able to compete effectively, and achieve sustainable profitability (Chun et al., 2013).

Marketing performance

Marketing performance is a concept to measure the market performance of a product. Every company has an interest in knowing the market performance of its products, as a reflection of the success of its business in the world of business competition. In addition, the company's performance can be done in two ways, namely internally and externally.

Company performance is a commonly used factor to measure the impact of a company's strategy. The company's strategy is always directed to produce performance both in the form of marketing performance and financial performance (Grellety et al., 2015).

Marketing performance according to (Tjiptono & Chandra, 2004) marketing performance is an *overspent* and *underdelivered point*, because it is difficult to measure the effectiveness and efficiency of each marketing activity, decision or program. Marketing performance is more objective and focused on profitability and productivity of marketing decisions.

Financial Performance

Financial performance is an analysis conducted to see the extent to which a company has implemented it by using financial implementation rules properly and correctly. (Fahmi, Financial Performance Analysis, 2012, p. 2)

Financial performance is one of the factors that indicate the effectiveness and efficiency of an organization in order to achieve its goals. Effectiveness if management has the ability to choose the right goals or an appropriate tool to achieve the goals that have been implemented. While efficiency is defined as the *ratio* (comparison) between input and output, namely with certain inputs obtaining optimal output.

Financial performance appraisal is one way that can be done by the management in order to fulfill its obligations to the funders and also to achieve the goals set by the company.

Reserch Model
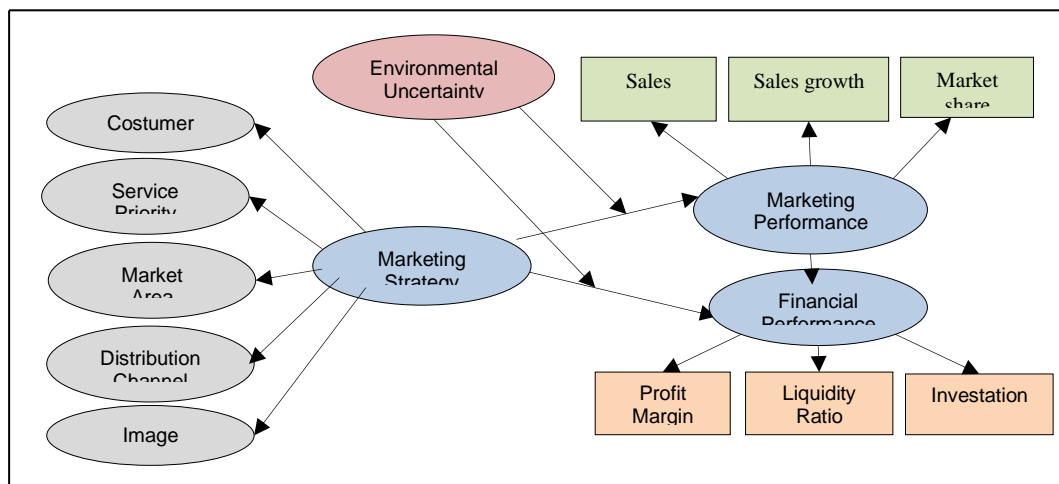
RESEARCH METHODS

The companies that are the object of research are Islamic commercial banks that have financial reports in the calendar year of December 31 during the period 2013-2021 and all leaders of Islamic banks in Jambi Province. Judging from the source of data collection, the data in this study used primary data and secondary data. This type of research is descriptive, exploratory and implementative, designed with quantitative methods, using secondary data. Secondary data is obtained from data that has been published and has become a domain for the general public in this study using data from the Financial Services Authority (OJK). The population in this study came from all Islamic banks in Jambi Province. The population in this study consisted of direct research subjects consisting of all leaders of Islamic banks in Jambi province. So the total number of the entire population is 40 respondent

sampling technique in this study used a purposive judgment sampling technique . Data processing was carried out by first editing the data/data tabulation, and entering the data into the computer. Researchers conduct data analysis use technique analysis data Structural Equation Modeling (SEM) with help device soft namely Smart PLS according to the specified research design. After that, the interpretation of the results of data analysis was carried out.

FINDINGS AND DISCUSSION
Construct Reliability, Validity value PLS algorithm and Average Variance Extracted (AVE)

Table 1. of Composite Reliability Values, Cronbach's Alpha Values and Average Variance Extracted (AVE)

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Environmental uncertainty	0.982	0.986	0.986	0.891
financial performance	0855	0.857	0.912	0.775
marketing performance	0.906	0.906	0.941	0.842
moderating effect 1	1	1	1	1
moderating effect 2	1	1	1	1
Marketing strategy	0.952	0.973	0.957	0.692

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Based on table 1. Cronbach's Alpha value that has a value above 0.7 in the reliable category illustrates that the reliability test has qualified or in the reliable category and the Average Variance Extracted value has a value above 0.5, which means the data is valid. As for the relationship between latent variables with their constructs and also relationships between latent variables as seen in figure 2 below;
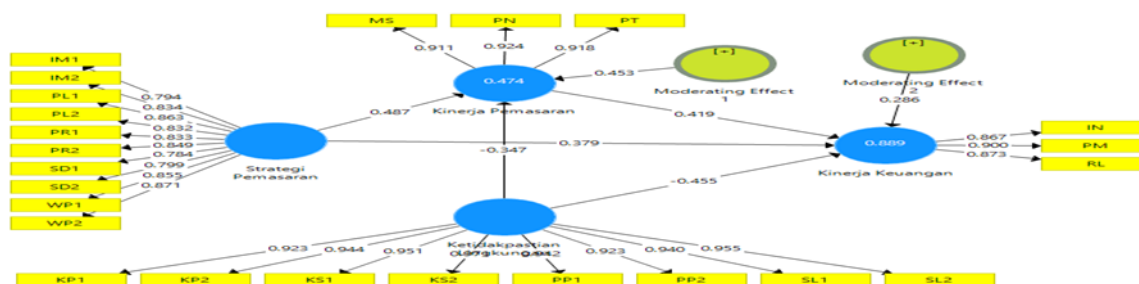
Picture 1. Loading factor

Table 2. Recapitulation of Variable Average Score

Variable	Average Score	Criteria
Marketing strategy	4.023	High
Environmental Uncertainty	4.353	High
Marketing Performance	3.675	Good
Financial performance	3.958	Good

Source: Author processed data

R Square (R²)

The value of R Square is the coefficient of determination on the endogenous construct which shows how much the endogenous construct is explained by the exogenous construct.

Table 3. R Value – Square Structural Model

Variable	R Square	R Square Adjusted
Financial performance	0.889	0.876
Marketing Performance	0.474	0.43

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Table 5.25 shows the R2 value for the Financial Performance variable (Z) which is 0.876 ^{or} 87.6% and for the Marketing Performance variable (Y) which is equal to 0.43 or 43%. This figure means that the variable Marketing Strategy through Marketing Performance with environmental uncertainty (M) as moderating explains the financial performance variable (Y) of 87.6%. Marketing Strategy variable (X) moderated by environmental uncertainty (M) is able to affect Financial Performance (Z) by 43% and there are 57% Financial performance is influenced by other factors.

Effect Size (f2)

In addition to examining the R-Square, an examination was also carried out regarding the effect of endogenous variables on known exogenous variables based on the value of effect size (f2) which is presented in the following table.

Table 3. Effect Size Value (f2)

	Financial performance	Marketing Performance
Environmental uncertainty	1.482	0.222
financial performance		
marketing performance	0.835	
moderating effect 1		0.447
moderating effect 2	0.586	
Marketing strategy	0.833	0.406

Source: SmartPLS 3.3.9 Output Data Processed (2022)

According to Hair et al.2014, the Effect Size criteria are: if the f2 value of 0.02 is categorized as a weak influence of the latent predictor variable (exogenous latent variable) at the structural level, if the f2 value of 0.15 is categorized as sufficient influence of the predictor latent variable (exogenous latent variable) at the structural level, and if the f2 value of 0.35 is categorized as a strong influence of the predictor latent variable (exogenous latent variable) at the structural level.

Q Square (Q²) *Predictive Relevance*

Evaluation of the structural model in addition to using R2 can also use the value of Q2 *Predictive Relevance*. Q^2 is used to calculate the predictive validity or relevance of a set of exogenous latent variables on exogenous latent variables. The value of $Q^2 > 0$ indicates that the model has *predictive relevance*, whereas the value of Q^2 0 indicates that the model lacks *predictive relevance* in this study as shown in the formula below:

$$Q^2 = 1 - (1\text{-}R^2_1)\,(1\text{-}R^2_2)$$
$$Q^2 = 1 - (1\text{-}0.889^2)\,(1\text{-}0.474^2)$$
$$Q^2 = 1 - (1\text{-}0.79)\,(1\text{-}0.225)$$
$$Q^2 = 1 - (0.21)\,(0.775)$$
$$Q2 = 1 - 0.163$$
$$Q2 = 0.837$$

Q value ^{2} *predictive relevance* in this research model shows that $Q^2 > 0$ which is worth 0.837, so it can be concluded that the estimation results of the research model show good predictive validity.

While the error term in both structural models is the level of inaccuracy in measuring the true path coefficient value due to the fallibility of the measurement instrument (for example, an inappropriate Likert scale), data entry errors or respondent errors. According to Hair et al. (2014), the error term is the difference in the path coefficient value between using data from the population (true value or parameter) and using data from the sample (predicted value or statistics). At the indicator level, the following are the results of Bootstrapping for Estimating Path Coefficients and T-Statistics Total Effects from outer loading
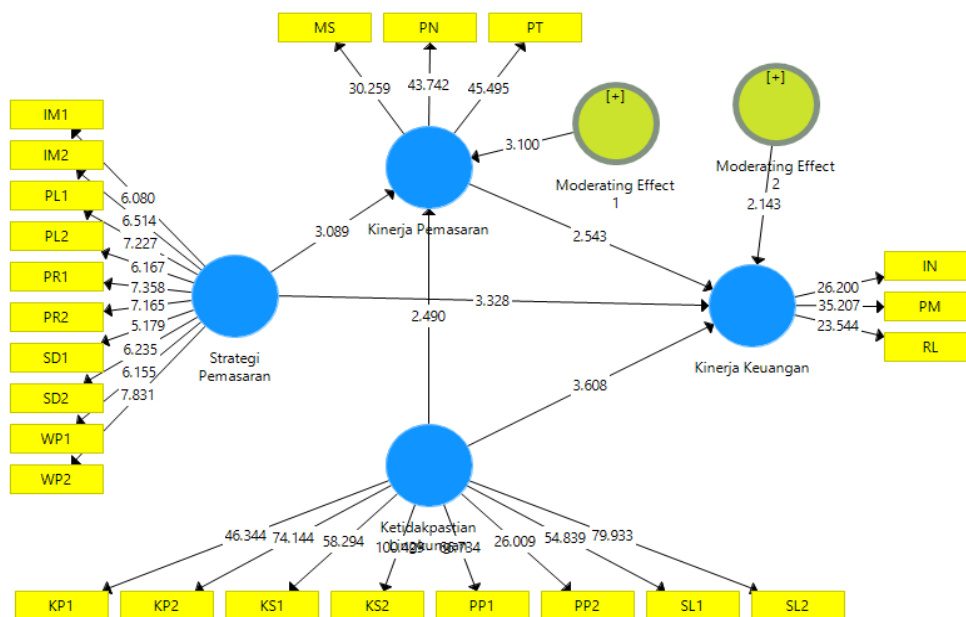
Picture 2. Bootstrapping Output

From the bootstrapping results above, it can be seen that there are four significant relationships with the t statistic above 1.671 (t table 1.671) and significant below 0.05. The following table below shows the results of the estimation of the structural equation parameters from the direct effect.

Table 4. Results of Estimating Structural Equation Parameters from Direct Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O-STDEV|)	P Values
Environmental Uncertainty --> Financial Performance	-0.455	-0.434	0.126	3,608	0.000
Environmental Uncertainty --> Marketing Performance	-0.347	-0.347	0.139	2.49	0.013
Marketing Performance --> Financial Performance	0.419	0.46	0.165	2,543	0.011
Moderating Effect 1 --> Financial Performance	0.453	0.418	0.146	3.1	0.002
Moderating Effect 2 --> Financial Performance	0.286	0.251	0.134	2,143	0.033
Marketing Strategy --> Financial Performance	0.379	0.342	1.114	3.328	0.001
Marketing Strategy --> Marketing Performance	0.487	0.479	0.158	3.089	0.002

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Table 5. Results of Estimating Structural Equation Parameters from Indirect Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O-STDEV|)	P Values
Environmental Uncertainty --> Financial Performance	-0.146	-0.163	0.099	1,468	0.143
Environmental Uncertainty --> Marketing Performance					
Marketing Performance --> Financial Performance					
Moderating Effect 1 --> Marketing Performance	0.19	0.195	0.11	1,732	0.084
Moderating Effect 1 --> Financial Performance					
Moderating Effect 2 --> Financial Performance					
Marketing Strategy --> Financial Performance	0.204	0.212	0.104	1.97	0.049
Marketing Strategy --> Marketing Performance					

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Table 6. Hypothesis Testing Results

Hypothesis	Coefficient	P value	Information	Result
H1 There is an Influence of Marketing Strategy on the Marketing Performance of Islamic Banks in Jambi Province	0.487	0.002	Reject H_0	Marketing strategy has a positive effect on the marketing performance of Islamic banks in Jambi Province
H2 There is an Influence of Marketing Strategy on Financial Performance of Islamic Banks in Jambi Province	0.379	0.001	Reject H_0	Marketing strategy has a positive effect on Financial Performance of Islamic Banks in Jambi

	Hypothesis	Coefficient	P value	Information	Result
					Province
H3	There is an Influence of Marketing Strategy on Marketing Performance Moderated By Environmental Uncertainty of Islamic Banks in Jambi Province	-0.347	0.013	Reject H $_0$	Marketing strategy has a positive effect on Marketing Performance Moderated By Environmental Uncertainty of Islamic Banks in Jambi Province
H4	There is an Influence of Marketing Strategy on Financial Performance Moderated By Environmental Uncertainty of Islamic Banks in Jambi Province	-0.445	0.000	Reject H $_0$	Marketing strategy has an effect on Financial Performance Moderated By Environmental Uncertainty of Islamic Banks in Jambi Province
H5	There is an influence of Marketing Performance on Financial Performance in Islamic Banks in Jambi Province	0.419	0.011	Reject H $_0$	Marketing Performance Affects Financial Performance in Islamic Banks in Jambi Province
H6	There is an influence of Marketing Strategy on Financial Performance through Marketing Performance at Islamic Banks in Jambi Province	0.204	0.049	Reject H $_0$	Marketing Strategy Affects Financial Performance through Marketing Performance at Islamic Banks in Jambi Province

Source: Author processed data

CONCLUSION AND RECOMMENDATION

1. There is a Positive and Significant Influence between the Marketing Strategy on the Marketing Performance of Islamic Banks in Jambi Province. 2. There is a positive and significant influence between the marketing strategy on the financial performance of Islamic banks in Jambi Province. 3. There is a Positive and Significant Influence between Marketing Strategy on Marketing Performance Moderated by Environmental Uncertainty of Islamic Banks in Jambi Province. 4. There is a Positive and Significant Influence between Marketing Strategy on Financial Performance Moderated by Environmental Uncertainty of Islamic Banks in Jambi Province. 5. There is a Positive and Significant Influence between Marketing Performance on Financial Performance in Islamic Banks in Jambi Province. 6. There is a Positive and Significant Effect between Marketing Strategy on Financial Performance through Marketing Performance at Islamic Banks in Jambi Province. All research findings have met the conditions that must be met in the SEM-PLS model.

Based on the results of the study, the authors provide suggestions that can be useful for Islamic Banking Leaders in improving financial performance and marketing performance that are closely related to the implementation of the roles and functions of leaders as managers and other parties to carry out existing marketing strategies by exceeding the standards set. has been established.

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