

The impact of double mediation on market performance using information communication technology and market orientation

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Abstract

Market performance is important to the company's development. This study examines the determinant factors of market performance through information and communication technology (ICT). The probability and simple random sampling methods were used to determine the sample. Furthermore, the research instrument was the questionnaire distributed personally to the respondents. The results show that the market performance of used car showroom MSMEs in the Malang was determined both directly and indirectly by information quality, eReadiness, use of ICTs, and market orientation, which is more dominant. The use of ICTs and market orientation fully and partially mediates the information quality and eReadiness on market performance, respectively.

Keywords: eReadiness; information quality; market orientation; market performance; small and medium business; use of ICT.

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INTRODUCTION

The development of technology affects daily life in society and promote business actors to improve market performance, especially in Micro, Small, and Medium Enterprises (MSMEs). There is need to pay attention to market orientation to provide effective responses in business activities. Efforts to improve to improve market performance is affected by government interference through information and communication technology (ICT), especially facilities and infrastructure such as internet development. The development of readiness in ICT is generally called electronic readiness or eReadiness. It helps in the integration of ICT on business processes expected to work effectively and efficiently.

According to business actors, information is a resource that needs to be managed properly and can help companies determine the performance level (Tyoso, 2016). The information provides standards as well as size and decision rules to determine and spread error signs, as well as feedback to achieve control objectives in the organization (Sutabri, 2016). The development of the flow supporting the creation of new information necessitates the need for Management Information System (MIS).

MIS is an understanding of the use of technology in managing information to support decision making. It includes all the interrelationships between systems consisting of software, hardware, and brainware expected to facilitate the decision making of each business process. MIS has developed into a discipline that contributes to various fields. This is proven by the studies on MIS applied to the development of market performance and orientation, eReadiness, use of ICT, and information quality. Companies gain new insights into viewing performance to improve the ability to build plans for internal control of business related to people, documents, technology, and procedures to solve problems or formulate strategies.

Business processes are affected by various changes, including those caused by internet facilities. Previous studies showed that technology has a positive impact on the performance of MSMEs (Bayo-Moriones, Billon, & Lera-Lopez, 2013; Tarute & Gatautis, 2013; Ikediashi & Ogwueleka 2016). It can significantly improve the financial and operational performance (Tarute & Gatautis, 2013). The utilization of technology in business is based on the emergence of eCommerce.

Trade trends shifting towards eCommerce links the use of MIS to business performance especially in the MSME sector (Bayo-Moriones, Billon, & Lera-Lopez, 2013; Tarute & Gatautis, 2013; Al-Matari, Al-Swidi, & Fadzil, 2014; Azam, 2015; Aksoy, 2017). This is because they eradicate poverty, equalize the financial ability of people, and improve the economy of a country. However, they often fail due to a lack of leadership and rejection of changes, as well as informal planning processes (Aksoy, 2017). They are forced to look for various ways to improve and maintain a competitive advantage, including the use of technology, increased productivity, and marketing. The implementation of new technologies, the use of ICT (information and communication technology), and eCommerce provide organizations with many opportunities. Apart from advances in information technology and acceptance by large technological organizations, the same level of adoption is not evident.

The different levels of adoption of each MSME provide an opportunity for MSMEs to adapt by using ICT to develop more rapidly than other business actors (Azam, 2015). In Malang, one of the MSMEs develops rapidly is a used car showroom business. It has a complex model, where the business actor serves as an intermediary between buyers and sellers. They use the infomediaries' business model by spreading and exchanging information to obtain effective car units. However, the merchant's business model is used when selling as they wait for requests from consumers (Oberoi & Saputra, 2015; Hadijah, 2017; Ika, 2017). The complexity of this business provides many opportunities to explore the market.

The used car market is growing with eCommerce by utilizing online classifieds and marketplace platforms, such as OLX, Carmudi, and Mobil123. The number of online cars buying and selling sites on the internet is not necessarily able to reach all levels of MSMEs

involved in the trade. This is due to the development of these sites are still regional, especially for Jabodetabek areas and several major cities in Indonesia i.e Jakarta, Bogor, Depok, Tangerang, and Bekasi (Maulana, 2017). Conversely, business sites need to compete to increase traffic in their sites visitors in order to rank high in the search engines. From all the online platforms available, only a few have national scale distribution, especially in Malang City and surrounding areas, including olx.id, mobil123.com, and carmudi.com.

Online classified ads platform and online used car buying and selling marketplace offer information and measure the market for used car needs. According to OLX's Chief Commercial Officer, used car sales in the first and second quarters of 2017 reached 540,000 and 531,000 units, respectively (Reily, 2017). This was higher than the new car sales data recorded at the Association of Indonesia Automotive Industries (Gaikindo), which reached 283,000 units in the first quarter and 249,000 in the second quarter. The large market demand for used cars forces showroom business actors to enter a tighter competition phase (Ika, 2017, Hidayat & Rahmawati, 2018).

The use of ICT in the used car MSMEs is expected to increase the number of transactions and market performance. However, business actors have a slightly different perception from MSMEs. They are familiar with ICT-based technology and use of social media and messaging in business interactions. Technology has not been utilized optimally since it is still limited to the use of chat features or as a medium for sending pictures. The features provided are in the stage of data and information management that helps the managerial department to improve market performance.

Studies show that there is a close relationship between market performance and information quality. In the Information System Success (ISS) model, there is a relationship between performance and information, system, and service quality, user satisfaction, and actual use (DeLone & McLean, 2003). Azam (2015) stated that there was a correlation between market performance with the use of ICT and readiness in developing MSME businesses in Bangladesh.

Previous studies explained the relationship between market performance and ICT in organizations (Bayo-Moriones, Billon, & Lera-Lopez, 2013; Tarute & Gatautis, 2013; Azam, 2015; Ikediashi & Ogwueleka, 2016). ICT affects the speed and efficiency of business processes in organizations, but the development is not optimally utilized in the MSMEs. According to Azam (2015), ICT does not have a significant effect on business activities in Bangladesh due to cultural factors, social inequalities between communities, and inappropriate government policies. Furthermore, Tarute & Gatautis (2013) showed that the direct and indirect impacts of ICT improve the overall performance and operation of MSMEs when used appropriately. According to Yunis, El-Kassar, & Tarhini (2017), the use of ICT in organizations significantly affects performance, especially when decision making is needed for MSME businesses.

Several studies stated that performance can be influenced by market orientation (Pulendran, Speed, & Widing, 2015; Buli, 2017). This is a fundamental practice for an organization to adapt its strategy to the market for better understanding and effective responses (Borges, Hoppen, & Luce, 2009). Gruber-Muecke & Hofer (2015) showed the results of a regression analysis that market orientation construct has an impact on

performance, especially in developing countries. Sumiati (2015) started that market orientation influences market performance in organizations.

ICT facilitates the marketing of MSME businesses efficiently by improving communication, collecting information, and identifying potential business partners. However, despite its many potential benefits, the adoption is still limited. Business actors need various eReadiness for the success of its implementation. According to Hashem & Alsaleh (2014), eReadiness is the basic foundation in developing organizations to compete in the market and impact performance. Azam (2015) stated that readiness has a significant role in the diffusion of ICT use behavior. The idea was developed in Chipembele & Bwalya (2016), which showed that eReadiness has an important role in guiding the policy of developing ICT utilization. The eReadiness assessment enables organizations to evaluate the ability of ICT integration in business processes to achieve effectiveness and efficiency. Hung (2014) showed that the effect of eReadiness on ICT applied to MSMEs improves performance. Some eReadiness factors needed to carry out eCommerce activities consist of external and internal factors of the organization (Molla & Licker, 2005).

The development of eBusiness based on ICT is also expected to improve information, which is an important aspect in the decision-making process (Sutabri, 2016). The ability of MSMEs to survive in a competitive global environment is based on their potential to utilize information. The capacity is access to timely, current, relevant, and adequate information limit decision making.

Decision making based on the needs of an organization is influenced by the quality of information presented and forwarded to executives (Ahmad, 2015). According to Molla & Licker (2005), information quality is considered important in modern business processes. Awareness of the importance of information quality makes eCommerce to increase content in the form of info, data, experience, or knowledge that is more specific to a higher level. Furthermore, several eCommerce models, such as content aggregation and infomediary, make business products the main content.

Research discussing information quality was conducted by DeLone & McLean (2003) in the study of Information System Success (ISS) theory. The results showed that it impacts the use of systems, individuals, and organization. It also also influences net benefits consisting of sales, costs, and market growth which are also constituents of market performance in Salorjvi, Ritala, Sainio, & Saarenkato (2015) and Tseng & Liao (2015). Other studies show that it does not directly affect the success of information systems. The majority of users are unsure of the quality of information conveyed by the system, hence considered unimportant.

From the previous studies, there are problems with understanding and utilization of technology to improve market performance in MSMEs, especially the used car showroom business. This is due to the lack of a good business organization system arrangement. Several approaches are used to examine the factors that influence market performance, including eReadiness, information quality, use of ICT, and market orientation and performance. Since previous works indicated that some variables used had mixed outcomes, this study examines specific aspects that affect market performance. eReadiness is used to determine the readiness of MSMEs for technology, while Information quality determines the relevance of the info presented in business processes.

ICT show the ability of business actors to use technology in business processes. Additionally, market orientation determines the understanding of business actors on prevailing conditions. Performance is the impact of business processes in a market developed by a company.

This study builds up on previous works, including Tseng & Liao (2015), Ahmad (2015), Idris (2015), Holsapple & Lee-Post (2006), and Chipembele (2016). Ahmad (2015) reported business intelligence for sustainable competitive advantage in five telecommunications companies in Malaysia while Holsapple & Lee-Post (2006) studied the success of e-learning in online and traditional students not using technology in learning. They showed that information quality has a positive direct effect on the performance of technology companies in Malaysia and educational institutions. Based on the description above, an alternative hypothesis formulated was H1: Information quality has a positive effect on market performance.

Molla & Licker (2005) studied the adoption of ICT in developing countries by examining factors that influence the use of eCommerce with a sample of 150 South African business people. The results showed that the adoption of eCommerce was explained more deeply by the perception of the electronic readiness of the organization than the environment. Idris (2015) studied the electronic readiness assessment for eCommerce in one of the SMEs in Nigeria, specifically MRT Ltd with 50 respondents. The results show that the adoption of eCommerce is a potential method for increasing business efficiency and effectiveness because it allows organizations to adjust to new market opportunities and remain competitive in the increasingly developing global markets. Therefore, an alternative hypothesis formulated was H2: Electronic readiness has a positive effect on market performance.

Information, based on the Big Indonesian Dictionary (KBBI), refers to notifications or news about something. Eppler & Muenzenmayer (2002) studied information quality criteria that can be measured using five types of tools, including performance monitoring, site and traffic analyzers, as well as web mining and survey tools. Holsapple & Lee-Post (2006) defined e-learning as a multi-faceted construct that can be assessed through six dimensions, including system, information, and service quality, use, user satisfaction, and net benefits that occur in three stages. The study was conducted on both traditional and online students using e-learning. The results showed that communication and the way schools deliver information and socialization of the use of online portals are very important in determining the efficiency of e-learning. DeLone & McLean (2003) studied information systems success models in eCommerce companies. The study established that information quality focuses on eCommerce content issues that need to be personalized, complete, relevant, easy to understand, and secure. It applies when the company expects potential customers or suppliers to start transactions via the internet and return to its website regularly. Therefore, an alternative hypothesis formulated was H3: Information quality has a positive effect on the use of ICT.

eReadiness is generally defined as the extent to which people are ready to participate in the digital economy, believing it can help build a better society. The World Bank reported that to realize the effective use of information and communication technology, a country needs effective infrastructure, ICT accessibility for the population, and the effect of the legal and regulatory framework. Measures of eReadiness include

country-specific average survey responses that reflect the extent to which respondents consider the use of the internet integrated into business activities, or eBusiness environment, and the level at which online government services are available, or eGovernment. The results show that five of the six variables, all except education, are significantly related to the eBusiness environment. Innovation, Internet Service Protocol (ISP) competition, and the legal environment are related to the level of the eGovernment environment. IBM stated that eReadiness is a measure of the quality of the country's information and communication technology (ICT) infrastructure, as well as the ability of consumers, businesses and governments to use it (Waryanto, 2012).

Chipembele & Bwalya (2016) studied electronic readiness assessments at Copperbelt University, Zambia with students and academic staff as respondents. The study showed that accessibility and ability to use ICT facilities influenced electronic readiness. This finding was in line with Holsapple (2006) who stated that students' online readiness is an important factor in the success of e-learning. It was marked by a high ranking on four measures of readiness, including academic, technical competence, lifestyle, and learning preferences towards e-learning. Constand & Arthur Jr (2011) examined the relationship between the electronic readiness environment and entrepreneurial activities based on data from the annual Global Entrepreneurship Monitor (GEM) report, the Economist Intelligence Unit (EIU), annual electronic readiness ranking, the 2008 World Bank Group (WBG) Entrepreneurship Survey database, and the WBG Country Survey data. The results showed that there was a relationship between electronic readiness and entrepreneurial activity, though not very strong. It depended on the specification of the variables used to represent entrepreneurial activity and the size of the electronic readiness used. For this reason, an alternative hypothesis formulated was H4: Electronic readiness has a positive effect on the use of ICT.

Bayo-Moriones et al. (2013) examined the impact of information technology resources, including investment and use of certain types of ICT, as well as innovative work practices on several dimensions of company work. The study focused on both directly or indirectly and long-term or short-term effects. It was conducted on manufacturing SMEs in Spain with a total sample of 267. The results showed that the use of ICT positively affected the performance of a limited company. Cuevas-Vargas, Estrada, & Larios-Gomez (2016) studied the effects of information and communication technology as a facilitator of innovation for the greater business performance of the SME industries. This research focused on developing countries with respondents of 288 SMEs in Guanajuato, Mexico. The results showed that ICT facilitates innovation and has a major impact on business performance. Decision-makers need to be careful while managing key variables for business success. Ikediashi & Ogwueleka (2016) examined the level of ICT infrastructure in the construction industry and the impact on management practices on 148 respondents in Nigeria. The study established that project management, site managers, and surveyors directly used ICT. The quality and cost impact of using ICT infrastructure was the most significant factor determining the overall project performance. Therefore, an alternative hypothesis formulated was H5: The use of ICT has a positive effect on market performance.

According to Baker & Sinkula (2007), market orientation shows the extent to which companies create satisfaction by fulfilling the needs of customers. It is valuable,

rare, not interchangeable, and cannot be replicated perfectly. Also, it is considered one of the internal capabilities and resources that potentially create a competitive advantage. Borges (2009) studied the impact of information technology on market orientation in eBusiness on the three largest research companies in Brazil. The results showed that investment in inter-organizational systems supports the development of market orientation capabilities. Tseng & Liao (2015) researched the effect of information technology applications on market orientation and company performance with 234 managers and agents in Taiwan as respondents. The results showed that information technology had a positive impact on market orientation. For this reason, an alternative hypothesis formulated was H6: The use of ICT has a positive effect on market orientation.

Market performance is a measure of the achievement of a product as a reflection of business success in the competition, including effectiveness, appearance, and results. However, measuring business performance through financial variables focuses more on upper management. Financial performance is easily quantified by variables such as net income, revenue, increase in net profit from year to year, and the number of franchise contracts. Additionally, tracking other measures is a critical non-financial performance, including employee and customer satisfaction. Franchisee satisfaction refers to the metrics that give more information compared to static and quantitative data.

Tseng & Liao (2015) examined the relationship between information technology applications and market performance in container shipping companies in Taiwan. The results showed that market orientation had a positive effect on company performance. The relationship between orientation and performance, the right strategy in terms of information dissemination, and the response seems are critical for better market and financial performance, as well as customer service. Gonzales-Benito, Gonzales-Benito J, & Munoz-Gallego (2009) studied the relationship between entrepreneurship, market orientation, and business performance in the socioeconomic region of the European Union. The subjects were 183 companies located in Catila y Leon, Spain divided into two groups that investigated the relationship between entrepreneurship and market orientation and joint effects on performance. The results showed that there is a strong relationship between entrepreneurship and market orientation. Although orientation can be implemented separately, companies emphasize entrepreneurship in case they are market-oriented. Buli (2017) researched the extent to which entrepreneurship and market orientation contributed to the performance of manufacturing SMEs in Ethiopia with a sample of 171 SME managers. The results showed that integrating entrepreneurship and market orientation into SME operations contributes to superior performance, which in turn enables them to develop in an institutionally complex and economically volatile environment. From this information, an alternative hypothesis formulated was H7: Market orientation has a positive effect on market performance.

METHOD

This study explains the interrelationships between variables using statistical models. The subjects included used car showroom entrepreneurs in the Greater Malang with 3-year experience in business operations. Several criteria were used to determine the respondents, including the ability to assess performance, business locations, be legal entities, use the internet and OLX services to support business processes, and have more

than one employee. Based on data from the Greater Malang Regional Dealer Account Executive of 2019, the number of used car showroom entrepreneurs was 145.

Used car showroom entrepreneurs were chosen because their businesses develop rapidly and have relatively complex models. Furthermore, used car showroom is one of the active and developing MSMEs in eCommerce with many online classified ad platforms and marketplaces. OLX was chosen since it has the first rank, precisely 33%, which means it has many advertisements in various media and a high visibility. This study used probability and simple random sampling methods. The minimum sample size was determined based on the following formula

$$n = \frac{N}{1 + Ne^2}$$

Description:

n: number of samples

N: number of populations

e: precision used

The total population for the study was 145 showrooms, while the error rate used was 5% of the sampling that was considered representative. The number of samples obtained is calculated as follows.

$$n = \frac{145}{1 + 145(0,05)^2} = 107 \text{ respondents}$$

The number of respondents in each region was determined based on the percentage of the used car showrooms proportionally distributed in the following table:

Table 1
Number of Respondents in the Greater Malang

No	Region	Population (Showroom)	Sample (Showroom)
1	Malang City	126	93
2	Malang Regency	16	12
3	Batu City	3	2
Number		145	107

Source: Primary Data Processed, 2019

This study used a minimum sample of 107 respondents while data collection utilized surveyed data methods by distributing questionnaires privately. The research instrument used a Likert scale, with one to seven ranks, while hypothesis testing used Warp Partial Least Square (WarpPLS) software. The data was analyzed using the PLS specification model, which examines the suitability of research instruments through convergent and discriminant validity tests. The reliability and an inner test model were used to determine the causality relationships between variables through the coefficient of determination, hypothesis testing, and testing of mediation effects. This study used a one-tailed hypothesis and the significance level was set at 5%. The testing of mediation effects was carried out in three stages, including analysis of the significance of direct effects, such as the mediating variables, examining the significance of indirect effects, and determining the type of mediation.

RESULTS AND DISCUSSION

The validity test was the first stage of data analysis, which include convergent and discriminant validity. The respective tests are shown in the results of loading and p-value in WarpPLS, while the reliability test can be seen in the composite reliability and Cronbach's alpha value in WarpPLS. Convergent validity test according to Pirouz (2016), has two criteria that need to be fulfilled. The loading factor should be greater than .55 and the p-value is significant (<.05). According to Solihin & Ratmono (2013), in fulfilling the convergent validity test, the cross-loading is expected to be lower than loading. The results of processing with WarpPLS show that each indicator has a loading factor of more than .55 and is significant with a p-value of less than .05. Therefore, the variables used to fulfill the requirements of convergent validity. The reliability test, according to Hartono (2011), is fulfilled in case the composite reliability and Cronbach's alpha is more than .70. The results of processing with WarpPLS show that all variables have composite reliability and Cronbach's alpha values of more than .70. Therefore, the instruments used in this study fulfilled the reliability test.

According to Solihin & Ratmono (2013), a model is declared suitable or supported by data in case the p-value for the average path coefficient (APC) and average R-squared (ARS) is less than .05 and the average variance inflation factor value (AVIF) is smaller than 5. The results of data processing indicate that the criteria for the goodness of fit (GoF) model are fulfilled with an APC of .390 and ARS .811 and significant with a p-value of <.001, as well as a GoF value of .784 (large ($\geq .36$)). This means that the research model was supported by the data obtained. The results of data processing showed that the coefficient of determination of endogenous variables involved the use of ICT, market orientation, and market performance of .894, .719, and .820, respectively. This means 89.4% of the use of ICT can be explained by the information quality and electronic readiness. Also, the use of ICT explains 71.9% of Market orientation, while electronic readiness, ICT on orientation account for 82.1% of the market performance. Figure 2. The following Inner Model results present the coefficient of determination, path coefficient, and significance.

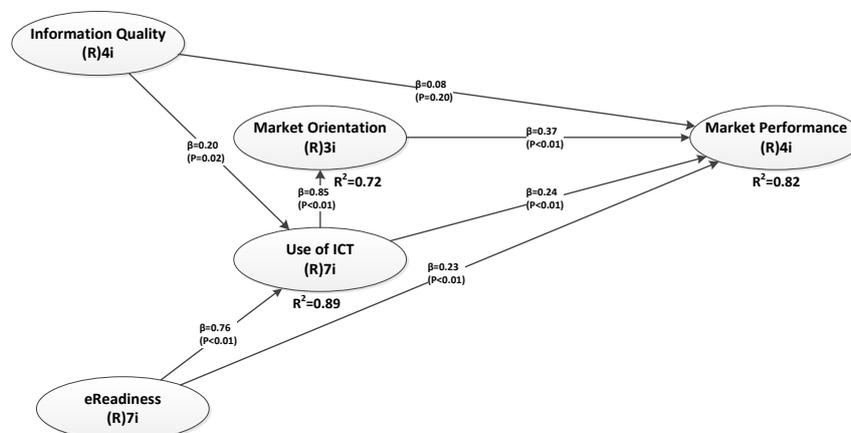


Figure 1
Inner Model Results

This research shows that electronic readiness and the use of ICT have a positive effect on market performance. The information quality and electronic readiness have a positive impact on the use of ICT, which also influences market performance positively. The use of ICT and market orientation mediates the effect of information quality and electronic readiness on market performance. This study cannot prove that information quality has a positive effect on market performance. However, some variables act as mediators, causing insignificant direct effects. Information quality has a positive effect on market performance through mediating variables.

Table 2
Path coefficient and a P-value of direct effect

Variable	Path coefficient to MP	P-value to MP
IQ	.445	<.001
ER	.471	<.001
R ²	.810	

Sources: data processed

Table 3
Path coefficient and P-Value of Indirect Effects

Variable	Path coefficient to			P-value to		
	UI	MO	MP	UI	MO	MP
IQ	.199		.079	.016		.204
ER	.761		.234	<.001		.006
UI		.848	.237		<.001	.005
MO			.373			<.001
R ²	.894	.719	.821			

Source: data processed

The testing of the mediation effect is conducted on information quality and electronic readiness. The procedure for the testing, according to Solihin & Ratmono (2013), is carried out in three stages as follows (1) Testing the significance of direct effects without including mediating variables in the SEM-PLS model. The direct effect needs to be significant when the mediating variable has not been included in the model. (2) Including mediating variables in the SEM-PLS model and testing the significance of the indirect effect, which needs to be significant. (3) Testing the significance of the direct effect after the mediating variable is included. However, the indirect effect determines the type of mediation.

The first stage of the direct effect of independent variables on the dependent variable before mediating is the information quality and electronic readiness on market performance. The results of the first stage of the mediation effect testing show that information quality and electronic readiness have a significant effect on market performance. They are positive with coefficient values of .445 and .471, respectively. The second stage of the mediation effect testing by including mediating variables in the model and determining the significance of the indirect effect shows both variables have decreased path coefficient values. The effect of information quality on market performance is not significant. However, the effect of electronic readiness on market performance remains significant.

The test results indicate that the mediation effects that are full and partial. Conversely, on the effect of information quality and electronic readiness, each has two paths, which needs to be further identified to determine the type of mediation. The results show that the use of ICT and market orientation fully mediates the effect of information quality on market performance. The use of ICT and market orientation partially mediates the effect of electronic readiness on market performance.

The first hypothesis study states that information quality has a positive effect on market performance. The test results show that this hypothesis is rejected, which means that information quality does not affect market performance. However, the results of the mediation effect testing show that the use of ICT and market orientation have fully mediated the effect of information quality on performance. These results contravened Ahmad (2015), which examined telecommunications companies in Malaysia and Holsapple (2006) that focused on the success of e-learning in students. The results showed that information quality has a positive direct effect on performance in technology companies in Malaysia and educational institutions, but not on used car showroom MSME in Malang. This finding also differs from Ahmad (2015) and Holsapple & Lee-Post (2006), which proved that information quality has a positive direct effect on market performance. Conversely, in this study, information quality does not directly affect market performance. Ahmad (2015) examined business intelligence for sustainable competitive advantage in five telecommunications companies in Malaysia while Holsapple & Lee-Post (2006) examined the success of e-learning in online and traditional students not using. They established that information quality has a positive direct effect on the performance of technology companies in Malaysia and educational institutions, but not on used car showroom MSMEs in the Greater Malang.

The second hypothesis stated that electronic readiness has a positive effect on market performance. The test results show that the hypothesis is accepted, which means that electronic readiness positively impacts market performance. This research proves that the higher the level of readiness for information technology, the better the performance, which is in line with Molla & Licker (2005) and Idris (2015). eReadiness illustrates the ability to prepare and provide answers to technologies used in their organizations. When MSMEs prepare themselves and successfully adopt information technology, the desired performance by the existing company structure and policies is likely to be achieved.

The third hypothesis states that information quality has a positive effect on the use of ICT. The test results show that the hypothesis is accepted, which means that the information quality positively influences the use of ICT. This research proves that the higher the needs of information quality, the greater the use of technology, which is in line with Holsapple & Lee-Post (2006) and DeLone & McLean (2003). Information quality, as a form of a company's ability to produce information needed by its users in a relevant and timely manner, relates to the technology used. The need to produce quality information encourages companies to use technology to fulfill the relevance and accuracy needed by users. When quality is very important in operations, technology is used.

The fourth hypothesis states that electronic readiness has a positive effect on the use of ICT. The test results show that the hypothesis is accepted, which means that electronic readiness influence the use of ICT positively. This study proves that the higher

the level of readiness to adopt information technology, the better they are in utilizing the technology used (Holsapple & McLean, 2006; Chipembele & Bwalya, 2016; Constand & Arthur Jr, 2011). eReadiness is a form of ability to prepare and provide answers to the technology used in organizations. It relates to decisions in information technology that might be used by companies. In case MSMEs are ready to use technology, they are expected to use information technology based on company conditions.

The fifth hypothesis states that the use of ICT has a positive effect on market performance. The test results show that the hypothesis is accepted, which means ICT positively affects market performance. This research shows that the better the use of information technology in used car showrooms MSME, the better the market performance, (Bayo-Moriones et al., 2013; Cuevas-Vargas et al, 2016; Ikediashi & Ogwueleka, 2016). The ability to use ICT aims to improve company performance. In case UMKM successfully adopts, uses, and utilizes ICT effectively, the suitability of the company's goals and mission with the existing economic, political, and cultural conditions can be determined.

The sixth hypothesis states that the use of ICT has a positive effect on market orientation. The test results show that the hypothesis is accepted, meaning the use of ICT positively influence market orientation. This research proves that the better the used car showroom MSME utilizes ICT in its operations, the more effective they formulate the market orientation to improve company performance. The results of this study are consistent with Borges et al. (2009) and Tseng & Liao (2015). In general, the use of ICT aims to improve the company's performance. In case technology is used in company's operations, strategic customer targets and organizations that focus on customer service, provide an inward-focused competition base, and offer services based on consumers' expectations can be established.

The seventh hypothesis states that market orientation has a positive effect on market performance. The test results show that the hypothesis is accepted, meaning that orientation positively affects performance. This research proves that the better the used car showroom MSME determines market orientation, the greater the market performance achieved (Gonzales-Benito et al., 2009; Wang & Miao, 2015; Tseng & Liao, 2015; Buli, 2017). Market performance is the ability to describe the suitability of the company's goals and mission with the existing economic, political, and cultural conditions. It is the achievement of the desired performance by existing corporate policy structures, performance by policies, culture, and the incentive system, the creation of selection measures, and resources training in the organization. In case operational market orientation is determined, the results might suit the goals and mission of the company with the existing economic, political, and cultural conditions.

CONCLUSION

This research shows that the market performance of used car showroom MSMEs in the Greater Malang is determined both directly and indirectly by the quality of information, electronic readiness, use of ICT, and market orientation. Market performance is determined directly by market orientation, the use of ICT, and electronic readiness. However, orientation is more dominant in determining performance directly compared to using ICT and electronic readiness. Market orientation indicates that consumer targets are set to know and respond to encourage an increase in the suitability of company goals

and mission with existing economic, political, and cultural conditions. The use of ICT indicates that the used car showroom MSME that uses information technology properly leads to the performance desired by existing company policy structures, and is in line with the company's goals and mission. Electronic readiness indicates that the appropriate adoption of technology can support performance achievement from the existence of company policies, culture, and incentive systems.

The strategic consumer targets are determined by the use of information technology. They set strategic consumer targets based on the results of the use of technology to improve performance. The use of technology is determined by the quality of information generated and the readiness to use information technology. The quality of information that can be generated from information technology and used by companies affects the decision of MSMEs to set strategic consumer targets, which favors market performance.

The level of readiness before using information technology determines its successful use. The use of technology with a high level of readiness can be more optimal. The results can be used to set strategic consumer targets to improve market performance. In case the used car showroom MSME is ready to use the technology chosen by the company, information technology can be used to make strategic customer targets and support the suitability of the organization's goals and mission.

This study showed that the used car showroom MSME in the Greater Malang acknowledge relevant and appropriate information generated by technology, which can be used to determine strategic consumer targets. The target consumers determined might increase the ability to describe the suitability of the company's goals and mission. Their condition in accepting the existence of new information technology in the company and its readiness determines the use of technology by a company. In case technology used determines strategic consumer targets, the suitability of the company's goals and mission can be determined based on existing economic, political, and cultural conditions.

Future studies should further examine the effect of information quality on market performance directly not proven in this work. They need to explain more deeply the effect of information quality on market performance on the same topic. Word-of-mouth to determine in case the opinions of competing companies externally or between employees internally may increase motivation and level of employee readiness to use information technology should also be examined. Lastly, future studies should expand the object of research, including the scope of used car showroom MSMEs in Indonesia. This can better describe the market performance that shows the needs and speed in their operations.

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