Marketing Performance of SMEs Operating in Indonesia: Analyzing their Dependence on Marketing Intelligence Capability and Pricing Capability of Pharmaceutical Companies

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ABSTRACT

Purpose: This study aims to explore the role of mediating pricing capability for enhancing marketing intelligence capabilities into firm market performance of pharmaceutical small and medium sized enterprises.

Methodology/Approach: The researcher applied a questionnaire survey in a convenient sample from 440 employees of pharmaceutical small and medium sized enterprises and operated structural equation modeling to evaluate survey data.

Findings: Results disclose that customer orientation, competitor orientation and information processing are predominantly important features of marketing intelligence capability to gain enhanced market performance by pharmaceutical SMEs. Results clarified that pricing capability mediates market intelligence drivers (customer, competitor orientation, information processing) along with market performance.

Research Implications: This study extends existing literature regarding market intelligence; it delivers new understandings on marketing capabilities by spreading the conception of market performance to a wider impression of marketing intelligence capability for pharmaceutical SME's. Further, this research shows that the price capability assists as a mediator to market performance.

Practical Implications: This study's findings focus on the measurements of marketing intelligence and its link to price capability which enables firms to understand how to exploit market intelligence to sustain completive edge and how to outperform competitors in market performance.

Originality/Value: This study (a) links basic dimensions of marketing intelligence with pharmaceutical SME's performance (b) shows how the pricing capability renovates customer orientation, competitor orientation and information processing for better market performance.

Keywords: Marketing Performance, Marketing Intelligence Capability, customer orientation, competitor orientation, information processing, pharmaceutical SMEs, Indonesia

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INTRODUCTION

Marketing Intelligence and pricing capability of an organization play a direct role in affecting the performance of SMEs in Indonesia (Nuryakin, 2018). It also leads to the satisfaction of the stakeholders, and the marketing capabilities that are concerned with the marketing pricing and planning leads to the advancement of the financial performance of the firm (Febrian et al., 2020). According to Hendar et al. (2020), The performance of SMEs is directly linked with the marketing intelligence and also shows the association among the acquisition of market intelligence and the innovativeness of the organization. Pricing capabilities of a firm leads to its success in the market and also result in improving the firms' performance and gaining a competitive advantage along with the customer satisfaction regarding the quality and pricing of a product (Hakimah et al., 2019; Sugiyarti et al., 2017). The below table enlists market intelligence system followed by pharmaceutical SMEs of Indonesia.

Table 1. Market Intelligence System on pharmaceutical SMEs of Indonesia

Competitive insight		Market insight	
Product intelligent	**Competitor intelligence**	**Market meaning**	**Customer insight**
• Pricing • Product promotion • Cost structure • Specification	• Acquisitions • Investments • Corporate strategy • Organizational changes	• Market size • Markets forecasts • Technology trends • Segmentation	• Loyalty rates • Purchase dynamics • Brand awareness • Brand consideration

There is a lack of pricing strategies in the pharmaceutical SMEs of Indonesia as the relationship between marketing intelligence, pricing capability, and the firm's performance has not been focused (Pratono et al., 2018). There is a lack of skilled employees and administrators that could manage the pricing strategies of different

products according to their qualities to gain the attention of the customers and increase productivity by enhancing and improving the performance of an organization (Asadullah et al., 2020; Fitri et al., 2019). The effective and beneficial decisions have not been made by pharmaceutical SMEs that can help the organization to grow (Dirgiatmo et al., 2019).

In Indonesia, the amount of spending per capita has been increasing with the passage of time. In the past, it was observed that in Indonesia, the medicine consumption rate was very low as far as the Asian countries are concerned. But currently the revenue per person has increased dramatically and reached 13.08 dollars as far as the total population of Indonesia is concerned. Not

only this but this per capita income is also supposed to be increased further in the future in Indonesia. The increase in per capita might impact the spending of people for healthcare purposes. In the similar context, the increase in spending power has also impacted the increased usage of drugs and medicine in Indonesia and the demand of these drugs has increased rapidly. As per the estimation, by the year 2022, the total healthcare spending in Indonesia might reach 47.1 billion dollars. These pieces of information point in the direction of positive performance of pharmaceutical sector of Indonesia especially in the context of SMEs. This highlights the importance of research in the context of pharmaceutical sector of Indonesia and especially the SMEs.
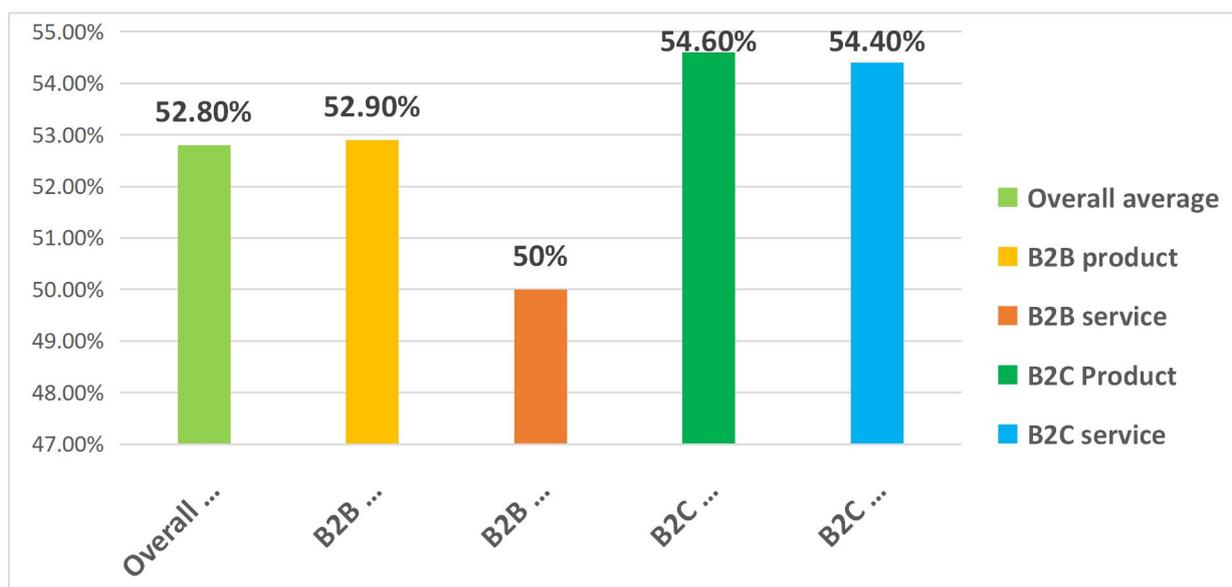

Figure 1. Overall Growth Regarding SME's in Indonesia.

The phenomenon of marketing intelligence (MI) and market orientation has been considerably gaining importance from the research analyst's perspective since the past few decades (Hanfan et al., 2018). Though it is noted that even now a performance gap exists in the small businesses as the number of small and medium-sized businesses operating. However, on the rise is still insignificant performance as compared to other large businesses (Sugiyarti et al., 2017), suggested that to response and fill this performance gap, the certain contextual variables and factors influencing the overall performance of pharmaceutical SMEs required to evaluated and investigated in detail. Since the investigation on marketing performance and its related factors are sparse and limited, consequently study needs to be conducted on the marketing presentation of pharmaceutical SMEs of the developing states (Febrian et al., 2020). According to a study by Asadullah et al. (2020) determining the impact of pricing abilities, marketing intelligence relating to entire business performance on the pharmaceutical SMEs processes. Therefore, understanding of the capabilities of an organization in terms of MI is important, so to fill these gaps in the previous studies, this study aims to explore the impact of different MI competencies, which is a new integration of variables. This research as specific aims which are given as.

- The premier goal is to investigate the impact of customer orientation (CO) on the marketing performance in the pharmaceutical SMEs operating in Indonesia.
- The second purpose is to determine the overall influence of competitor orientation (CO) on the marketing presentation in pharmaceutical SMEs functioning in Indonesia.
- The third objective is to analyze the effect of information processing on the entire marketing imaging in pharmaceutical SMEs performing in Indonesia.
- The fourth goal of the study is to evaluate the mediating role of pricing capabilities in the relationship between CO and marketing imaging in pharmaceutical SMEs performing in Indonesia.
- The fifth purpose is to investigate the mediating part of pricing competencies in the association between CO and marketing presentations in pharmaceutical SMEs running in Indonesia.
- And the final objective is to determine the mediating impact of pricing strengths on the linkage between IP and marketing performance in pharmaceutical SMEs practicing in Indonesia.

There is a wide range of many previous studies containing the research information regarding pharmaceutical SMEs and their working value in the

markets of Indonesia. The worth of the current study is that it evaluates aspects that play a major role in the performance and working stability of the pharmaceutical SMEs and also their capacity and pricing as well. The current study has a lot of significance and scope. This work is very helpful for the researcher of the future times and also for the managers and the owners of the organizations. This study is accepted globally, and it helps in creating marketing value and managerial policies. The research has evaluated all aspects of the organizations to develop strategies and keep the maintenance of business with good quality products and also marketing intelligence and the study is very helpful and informative for future pharmaceutical SME business owners and managers.

Theoretical framework

Theory of marketing performance

It is generally stated that superior performance between organizations is a consequence of effective business and marketing strategy they execute (Frösén et al., 2016). A marketing strategy according to this theory is a combination of a set of strategies which leads to the fulfillment of the organization's short term as well as long term marketing performance (MP). Sharma, Davcik, and Pillai (2016) stated that overarching goal of a firm is to attain superior MP compared to its competitors. According to Philip Kotler (2009), who originally gave this theory that competitive advantage (CA) is achieved mainly when the effect marketing strategies implemented by the business culminates in better MP. Therefore, this theory helps in explaining the role of MI capabilities and strategies which have a further impact on attainment of better MP (Grigoriou et al., 2016). Furthermore, this theory says that MI practices are useful not only for marketing professionals but also for organizations that want to achieve better performance. From the chief executive to the vice president of sales, the senior controlling team individuals play a direct role in establishing marketing practices that impact the firm bottom line (Mursid et al., 2019). Moreover, this theory also states that organizations and small businesses must focus on deriving the discussion and generating practices for MP for their businesses (Davcik et al., 2016).

The relationship between customer orientation and marketing performance

Customer orientation (CO) has been researched frequently and comprehensively around the globe for effective and sustainable performance (Frambach et al., 2016). CO means observing the requirements and expectations of the customer, anticipating all of them and then responding accordingly for better MP. Study conducted by Fidel, Schlesinger, and Emilo (Fidel et al., 2018), indicate that committed, satisfied and loyal workers are more passionate towards customers, which finally leads to more committed, satisfied and loyal consumers which certainly improves the MP of the company. This correspondence is the element of the value MP chain, generally described the more the zealous the employees, the more satisfied the client and the higher MP of the business (Menguc et al., 2016). According to Herhausen, De Luca, and Weibel (2018), CO is a marketing strategy in the small business model that mainly requires management and workers to focus on the modifications wants and requires of its customers which directly affect the sustainable MP of the business. In other perspectives, it is a firm-wide concept to enhance MP

mainly by fulfilling the needs and wants of customers with the help of all management and employees' efforts (Dahan et al., 2019). This relationship between CO and MP of businesses is upheld by the theory of MP, according to this theory performance is majorly derived by business strategies that tend to reflect a CO. Therefore, in the line of the above findings, the study proposed the following hypothesis.

H1: The strategy of customer orientation is positively related to the marketing presentation of the business.

The correspondence between competitor orientation and marketing performance

Also, the CO is a significant element to generate superior and effective MP, competitor orientation is also an important strategy or process that rarely exists in business in CA (O'Dwyer et al., 2019). Hirvonen and Laukkanen (2016) demonstrated that an insignificant and unsustainable focus mainly towards the potential competitors are not significant since entire observation on the level of competition can mainly to the neglect for the struggling of its MP. CO focused on meaning the positive and weak points of current and potential competitors and also forecast their actions and behaviors to transform into effective concepts to fulfill the aspects of MP. Because MI as well as marketing practices means more than being consumer-oriented, an additional significant element for collecting concern market data is an organization's orientation regarding the competitive condition (Ho et al., 2018). A study by Javanmard and Hasani (2017) revealed that CO reflects a company's capability to forecast the strengths and capabilities of both the important existing and important potential challengers. Furthermore, the forecasting and the monitoring of competitors' steps and behaviors create significant and favorable insights for companies to mean their relative status within the concerned market and so enhance their exclusive MP mainly by brand development strategy (Frambach et al., 2016). Hence, in the light of the above discussion the present research suggests the following hypothesis.

H2: Competitor orientation is favorably related to the marketing performance of the business.

The interrelation between information processing and marketing performance

Marketing performance plays a very important role in the development and growth of the industries and the progress. A company or organization can access success or development when they have access and a proper system of information procuring. Information about the market value of the products, customers' opinions, sale, purchase, everything must be under notice (Fan et al., 2016). The rivals the competitors with all their advantages and disadvantages must be known with the detail. Organizations with detailed information about all aspects of the market have the advantages of maintaining their position and can lead ahead only if they are pampered. The process of information procuring is not an easy task as the rise and fall of the market and also knowledge about the products that are very important to know plays a key role in this process (Reimsbach et al., 2018). Those organizations having complete data or information about the customer's choice and their demand make good progress and those who do not bother about this important procedure remain at a loss and the market value downs. Alrubaiee et al. (2017) in a

study determines that the organization establishes such teams or agent who gathers information with a perfect strategy and management. This is the result of the perfect system of obtaining proper information that may lead the organization to face the competition and also fulfill the requirement of the product. IP and market performance have a very positive influence, and this is very necessary for the better process of production and sale. Consequently, the study recommends the following hypothesis.

H3: There is a favorable association between information processing and market performance of SMEs.

The mediating role of pricing capabilities in the connection between customer orientation and marketing performance

Pricing is the exclusive process whereby a small business sets the price of the products and services based on the balanced cogitation of costs, consumer needs, and competition level (Kamboj et al., 2017). In setting prices, the firms will take into account the price at which it could acquire the products, the development cost, and the marketplace competition level and market situations (Hendar et al., 2020). Pricing capabilities (PC) is a basic concept of marketing or financial modeling and is one of the four Ps of the marketing mix strategy which further enables a significant degree of CO and affects the MP of the company positively (Lee, et al., 2019). Santosa and Samuel (2018) in a study said that PC is the only favorable factor or competency of an organization developing element amongst the four Ps, the rest being cost centers. Though the other Ps of marketing will contribute to minimizing price un-sustainability and hence secure price enhances to derive better and affect MP. SMEs with effective PC may acquire better marketing imaging mainly through its competency to enable exclusive client's deals (Florea et al., 2020). Consequently, based on the above arguments the current thesis recommends the following hypothesis.

H4: Pricing capabilities positively mediate the linkage between CO and marketing performance of businesses.

The mediating impact of pricing capabilities on the correspondence between competitor orientation and marketing performance

Marketing performance indicates the rise and downfall of the products or companies. Marketing performance indicates the progress and development of organizations (Kamboj et al., 2017). The companies facing the competition have a concern about the value and the price worth of their products. Those companies with high pricing products lose their value as the customers find it beyond their reach and access and the value of the product falls. Similarly, a study by Angulo-Ruiz et al. (2018) illustrates that those who are more conscious about competing the organization are always concerned about the pricing capability. Pricing capability has a very

mediating role for any product to get high-value access of the customer while the companies or organizations with a high price may not in the reach of every customer and that becomes the reason that they may lose their competitive ability and market value (Jin et al., 2018). When there is an increase in a product in the market, this upsets the situation while those who can provide the same product with a less price find it a better opportunity to go up and this sudden rise makes the organization a high-value product seller with a reasonable price value (Kaur et al., 2019). Organizations must evaluate the cost value and the price management to face the competitors with a price control policy. The present-day, media and social media plays a very unique role in the publicity of any product and also maximum access to all those companies or organizations producing the same product and with all detail. It has become a tough subject now, as the customer has access to all fields of life through media.

H5: Pricing abilities favorably mediates the relationship between CO and marketing presentation of SMEs.

The mediating influence of pricing capabilities on the linkage between information processing and marketing performance

Hendar et al. (2020) describe that the positive relation of marketing performance and the information processing leads to the cost reduction of the products of an organization and increase its throughput. It can also lead to positive and effective strategic values and cost savings that can result in effective operations of marketing. The research conducted by Santosa and Samuel (2018) has stated that the strategies should involve the development of the products according to the needs of the customers that can satisfy them with high quality and low prices. Kaur et al. (2019) explain that the association of performance of a firm and the IP results in the greater value of a firm and the advancement of the priorities of a firm. It determines the importance of setting the goals, objectives, and service level agreement for the partners and the suppliers that highlights the overall organizational goals. It has been termed by (Chen et al., 2017) that the pricing capabilities not only enhance the performance of a business but also improves the capability of IP of that business as the price of a product plays a vital role in gaining the attention of the customers. It has been proved by the theory of marketing performance that the strategies of an organization depend upon the long-term and short-term MP of a firm. Hence, the study proposed the following hypothesis.

H6: Pricing competence significantly mediates the interrelation between IP and marketing performance.

RESEARCH FRAMEWORK
Based on literature review above, we develop research framework as follows.
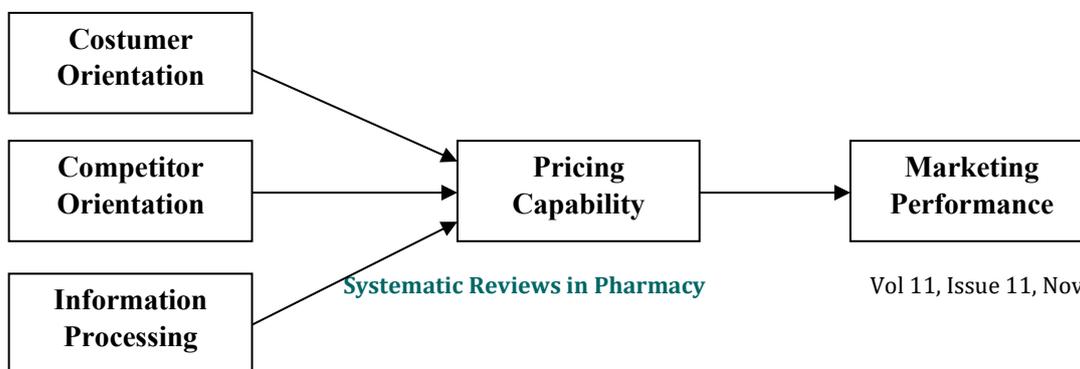
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Figure 2. Research Framework

METHODOLOGY
Sample and data collection procedures
For this study, an online survey was conducted in Indonesian pharmaceutical SME's for data. As per the purpose of this study, Population for this paper is managerial staff of pharmaceutical small and medium sized enterprises located in Indonesia. Through convenient sampling technique final sample of 440 managers from 120 pharmaceutical small and medium sized enterprises across Indonesia was developed. Top management and executives were key informants from Indonesian pharmaceutical SME's, main focus of study was on them because they are in charge for planning and applying marketing strategies and for monitoring the marketing activities of marketing intelligence and pricing. The sampling frame was drawn from the ministry of MSME (micro, small and medium sized enterprise) database, which comprises official data for all Indonesian SME's related to income, accounting and workforce. The sample was constricted by dropping those enterprises that have less than 50 employees, enterprises were selected on size criteria which was minimum 50 employees because it is observed that enterprises with small number of employees lack organization structure and marketing strategies. After selecting sample data collection tool was finalized which was a structured questionnaire, advanced by a team of whose expertise is in marketing, some market managers were also consulted to get more authentic information regarding potential research topic. The questionnaire was tested on some managers from marketing department to assess the viability of questionnaire in terms of wording, meaning and length. The main survey was administrated through email along with cover letter that explained the objectives and description of research. We sent 1100 questionnaires to email contacts of respective participants, out of which 320 were sent to retired employees, remaining 680 managers responded back out of which 240 questionnaires were not usable at end 440 responses were valuable that were kept for data analysis.
Measurement
The proposed model was validated by previously corroborated scales in this study. All these scale and items are derived from past literature. The items were adapted from past studies by carefully reviewing literature presented on market intelligence. Currently, market intelligence was measured by different market concepts such as customer orientation, competitor orientation and information processing. Customer orientation was measured by a 3 items scale conceptualized from and Narver and Slater (1990) and Narver, Slater, and MacLachlan (2004), one of the adapted item is "We continuously try to discover actual and additional needs of our direct customers of which they are unaware". Respondents views were recorded on 5 Point-Likert scale which indicated that these firms are customer oriented due to high composite reliability of 0.911.

There are 2 items from Narver and Slater (1990) scale were selected and revised to measure competitor orientation to see how much the firm is concerned about the competition by asking "We are constantly comparing with the strengths and weaknesses of our key competitors". Competitor orientation was gauged on 5-point scale (1= strongly disagree and 5= strongly agree) which indicated good reliability with composite reliability of 0.887. Information processing of Indonesian SME's is evaluated by 6 items that are haul out from Jaworski and Kohli (1993) and Tan and Ahmed (1999) market orientation research. These items examined the firm ability to process gathered information One of the sample item is "We aim a continuous-focused analysis of the gathered market data". As per the outcomes it is found to be reliable with CR=0.969. For pricing capability 8-items scale was developed based on study of KanKam-Kwarteng et al. (2018), 8 items were adapted to check firm ability to set prices. Participants rated pricing capability on Five-point Likert scale ranging from 1= much worse and 5= much better, it yielded 0.945 as composite reliability for pricing capability. Anand and Ward (2009) is referred to develop measures for market performance of SME's, total 5 items are amended from this scale for example "our firm's sales revenue growth is good in in comparison to your main competitors" which was graded on 5 point Likert scale figuring out CR=0.930.

RESULTS AND ANALYSIS
Demographics
The current research was carried out in Indonesia that targeted 1100 top managers working in 120 small and medium sized enterprises, however only 440 respondents were eligible for final sample. Data scrutiny also made demographics of respondents known, from it was seen that in terms of gender majority of managers in SME's of Indonesia were male 55.2% and female were runner up as 44.8% were female. Age wise it was noted that 136 managers (30.9%) have age not above 25 years Moreover, 191 respondents (43.4%) ages stretches between 25 to 35 years, 97 managers (22.0%) belonged to age group of 35 to 45 years and 16 mangers aged more than 45 years. So, these SME's tend to have more young top managers because they are well aware of fluctuating market trends and are more market intelligent. Majority of top managers have average experience of 2 to 5 years of working in SME's marketing field (43.4%).

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
MarkPerf	440	1.00	5.00	3.2049	1.04541	-.184	.116
PriceCap	440	1.00	5.00	3.3627	1.00668	-.353	.116
InfoProc	440	1.00	5.00	3.5146	1.16930	-.534	.116

ComOria	440	1.00	5.28	3.4268	1.13453	-.503	.116
CustOria	440	1.00	5.00	3.5424	1.15145	-.550	.116
Valid N (listwise)	440						

Descriptive Statistics

For summarizing the sample different characteristics descriptive Statistics was also tested. In table 2, N statutes the total objectives under observation, that is clearly 440. No outlier is observed for the Variables for the lesson that all values fulfill the criteria 1 and 5 min and max limits which approves no variance midst these constructs. Means values are estimated for central tendency of responses, according to table 1 mean value for market performance (MP), Price capability (PC), information processing (IP), competitor orientation (CO) and Customer orientation (CU) is 3.2049, 3.3627, 3.5146, 3.4268 and 3.5424 correspondingly imminent towards value of 3.5 showing mostly agreed response. Skewness dignified the distribution of data and confirmed that data has normal distribution since all Skewness statistics fall between -1 and +1 which is rule of thumb for normal distribution.

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.928
Bartlett's Test of Sphericity	Approx. Chi-Square	11177.949
	df	276
	Sig.	.000

KMO and Bartlett's Test

The results for KMO and Bartlett's Test are exemplified in Table 3. According to criteria the projected values must be higher for more adequate sample. Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.928 which is nearest to 1 which commends that sample size is acceptable and appropriate for this study. Bartlett's Test of Sphericity amount the connection of constructs. Chi-square=11177.949 having 276 degree of freedom. This test got Significance level under than of 0.05, attests applicability for factor analysis.

Table 4. Rotated Component Matrix[a]

Items	Component				
	1	2	3	4	5
MP1			.807		
MP2			.863		
MP3			.820		
MP4			.773		
MP5			.795		
PC1	.720				
PC2	.707				
PC3	.776				
PC4	.831				
PC5	.779				
PC6	.849				
PC7	.857				
PC8	.846				
IP1		.846			
IP2		.857			
IP3		.847			
IP4		.892			
IP5		.914			
IP6		.900			
CO1					.853
CO2					.838
CU1				.822	
CU2				.836	
CU3				.853	

Rotated Component Matrix

Rotated Component Matrix is also a statistical method which guesses that variables endorse internal consistency with anticipated hypothesis. This is done by Confirmatory factor analysis, the forecast of factor loading for single item is put in table which have five components columns. Projections are openly conveying that factor loading for total 25 items is above 0.7, which meets the threshold criteria, as market performance carries factor loading from MP5 (.795) to MP1 (.807), Information processing IP6 (.900) to IP1 (.846) which supports that constructs are correlated and accurate. Considerably, the results did not encounter any error of cross loading.

Table 5. Convergent and Discriminant Validity

	CR	AVE	MSV	CO	MP	PC	IP	CU
CO	0.887	0.797	0.305	0.893				
MP	0.930	0.726	0.343	0.476	0.852			
PC	0.945	0.681	0.343	0.452	0.586	0.826		
IP	0.969	0.840	0.305	0.552	0.467	0.458	0.917	
CU	0.911	0.774	0.297	0.400	0.485	0.545	0.469	0.880

Convergent and Discriminant Validity
Table 5 show fit in Convergent and Discriminant Validity which are measures for the interrelation of constructs if they are related or not. Convergent validity test gauges are composite reliability (CR) and Average Variance Extracted (AVE). Statistically, information processing is highly related due to its composite reliability 0.969 is highest it also obtained maximum AVE 0.840 which backings internal consistency. On other competitor orientation devices lowermost composite 0.887. The values for composite reliability and Average Variance Extracted series amid 0.5 and 0.7 so convergent validity is attested. The same table also demonstrate discriminate validity by putting fluctuating values in diagonal position.

Table 6. Model Fit Indices

CFA Indicators	CMIN/DF	GFI	IFI	CFI	RMSEA
Threshold Value	≤ 3	≥ 0.80	≥ 0.90	≥ 0.90	≤ 0.08
Observed Value	2.690	0.887	0.964	0.963	0.062

Model Fit Indices
As per the fit indices, all observed values are confined to threshold values, such as CMIN/DF = 2.690 (discrepancy function) which is lower to 3, GFI =0.887 (good fitness index) same or more than .80, CFI= 0.964 and IFI= .963 (comparative fit index and incremental fit index) over and above 0.9 and RMSEA = .062 that is less than 0.8, all these values are basically authorization for model fitness.
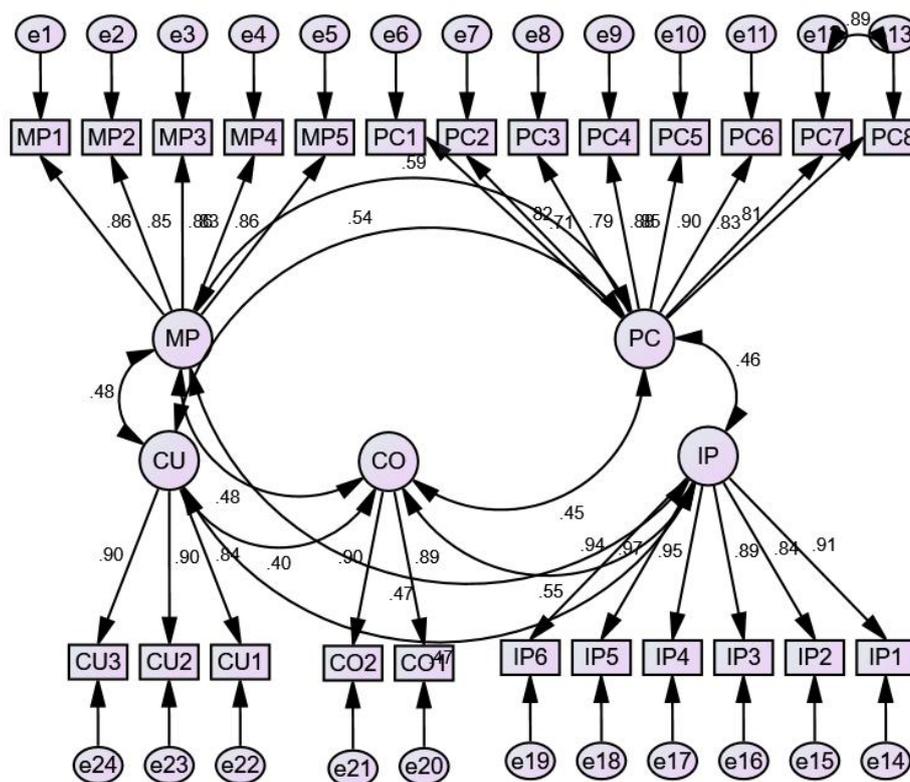
Figure 3. Confirmatory Factor Analysis (CFA)

Table 7. Structural Equation Modeling

Total Effect	InfoProc	ComOria	CustOria	PriceCap
PriceCap	.221**	.142**	.355**	.000
MarkPerf	.218**	.211**	.266**	.370**
Direct Effect	InfoProc	ComOria	CustOria	PriceCap
PriceCap	.221**	.142**	.355**	.000
MarkPerf	.137**	.159**	.135**	.370**
Indirect Effect	InfoProc	ComOria	CustOria	PriceCap
PriceCap	.000	.000	.000	.000
MarkPerf	.082**	.053*	.132**	.000

Structural Equation Model

Structural Equation Model is exhibited in table 6, it is the key statistical test in data analysis which proves either proposed relationship is significant and acceptable, or they are insignificant. It can be construed that all hypotheses are significant and acceptable. As It is detected that swelling information processing by one unit directly increases price capability by 22.1%, and market performance by 13.7% due to information processing, changing competitor orientation with one unit accounts for 14.2 % addition in price capability and 15.9% growth for market performance, beside this if customer orientation is escalated by 1 unit it will lead 35.5.% positive change in price capability and upturn of 13.5% in market performance, So it is confirmed that all hypothesis have direct and positive impression on market performance which made all these hypothesized relationships accepted. On other hand, price capability endorsed positive mediating impact on market performance because unitary alteration cause increase in market performance of Indonesian SME's by 8.2%, 5.3%, 13.2% respectively so these hypotheses were accepted.
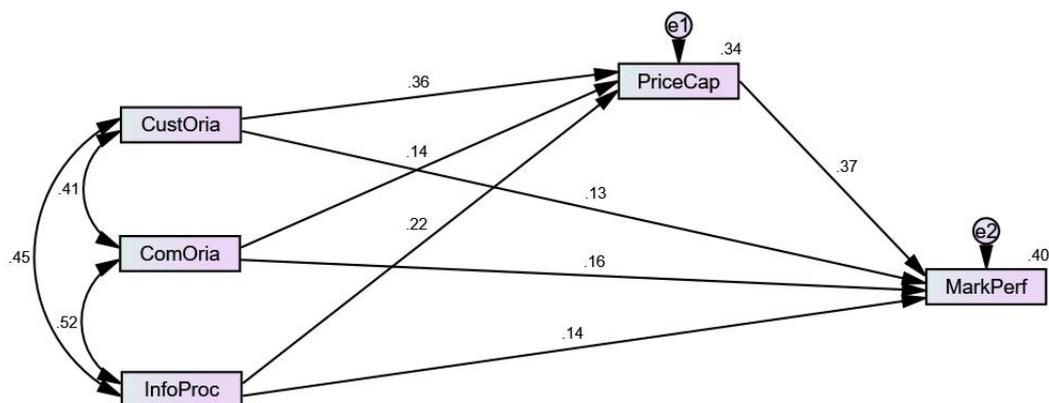
Figure 4. Structural Equation Model (SEM)

DISCUSSION AND CONCLUSION

Keeping in mind the rapid growth of pharmaceutical SME's in Indonesia this study is an effort to explore the role of market intelligence and price capability in market performance of these pharmaceutical SME's. It is important to focus on market-oriented behavior to outperformed in the market. To examine this phenomenon, we hypothesized market intelligence indicators such as customer orientation, competitor orientation and information processing in relation to firm market performance. This paper also inspected mediating role of price capability as well. To validate the anticipations of these study different hypotheses were industrialized drawn on valid theory and literature review. Initially, the relationship between customer orientation and market performance was conjectured as H1 which is there is a significant relationship between customer orientation and market performance, the SEM findings confirmed the significance of this hypothesis because customer orientation positively impacts market performance. When an firm puts its customer first, pay attention to their demands it leads to fulfillment of those demands that subsequently improve market performance, it is supported by Kara, Spillan, and DeShields (2005) which also signposted positive relationship between customer orientation and performance of pharmaceutical small and medium sized enterprises.

Next, the link between competitor orientation and market performance through H2 propositioning significant relationship between competitor orientation and market performance which got accepted and found to be significant. As competitor orientation helps to keep pace with competition in market and help to maintain market performance. These results are similar to Li and Liu (2014) findings that shed light on significance of competitor orientation in order to achieve competitive advantage as when firm consistently assess its compatibilities relative to competitors it improve its operations and procedure which increase market performance. H3 which is significant relationship between information processing and market performance, the statistics showed a significant relationship between both constructs as when a firm properly utilize the gathered information it facilitates in marketing planning to boost market performance which backed by Helm et al. (2020). The mediating variable which is price capability was hypothesized as H4 which proposed that price capability significantly mediates relationship between

customer orientation and market performance of pharmaceutical SMEs, results confirmed the mediation of price capability as being aware of customer's preferences a suitable price can be settled that retain and satisfy them which lead to enhanced market performance of pharmaceutical SMEs.

Further, mediating impact of price capability on competitor orientation and was also examined by generating H5 which projected that price capability significantly mediates relationship between competitor orientation and market performance of pharmaceutical SMEs. It was noticed that price capability positively influences competitor orientation and market performance. Monitoring competitor different strategy especially pricing is crucial for market performance of pharmaceutical SMEs. In last the mediation effect of price capability in relation to information processing and market performance was checked, H6 which projected that price capability significantly mediates information processing and market performance which also endorsed positive impact on these constructs therefore it was accepted which indicated that processing information aids in pricing capability that enhance market performance of pharmaceutical SMEs (Liozu et al., 2013).

In the light of above results, it can be concluded unquestionably that pharmaceutical small and medium sized enterprises depend on market intelligence and pricing capability for their market performance. The significant relationship between market intelligence, price capability and market performance emphasized the importance of them in Indonesian pharmaceutical SME's. This study has made theoretical contributions in relevant literature by thoroughly explaining these variables. This will encourage other researchers to pay attention to marketing intelligence in their work. Going through this study manager will get helpful insights for properly managing marketing strategies. This study also has limitations such as low response rate, data collection method which restricted general applications of finding. So, it is recommended to adopt mixed method for study in future targeting more firms.

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