

# CONNECTION BETWEEN SPIRITUALITY AND MARKETING

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## ABSTRACT

*The goal of this study is to apply structural equation modeling (SEM) analysis with generalized structured component analysis (GSCA) and translate the effect of spiritual marketing and entrepreneurial orientation on sustainable competitive advantage with marketing capabilities as a mediator, in particular for general BBM marketing at PT. Pertamina (Persero). This will be done by focusing on PT. Pertamina (Persero). In this study, the quantitative technique takes the form of a survey, in which samples are taken from the overall population. The survey was carried out by giving questionnaires to those who participated in the survey. The SEM method was utilized for data analysis, and the GSCA framework was utilized for the analysis. The participants in this research project were 3,207 individuals who were employed in various central and regional marketing offices (Marketing Operation Region (MOR)) located all throughout Indonesia. According to the Slovin formula, a sample size of 356 people who responded to the survey was therefore chosen. The capacity to increase innovation, which in turn directly effects the ability to maintain a sustainable competitive advantage, is directly influenced by spiritual marketing and an entrepreneurial perspective. Therefore, it is vital to execute spiritual marketing and strengthen entrepreneurial attitude in order to build a durable competitive advantage in marketing Pertamina's General BBM. This may be accomplished by combining the two strategies. The originality of this study resides in the fact that it is the first study of its kind to investigate the function and position of spiritual marketing in relation to marketing capabilities and sustainable competitive advantage, and it does so in conjunction with factors measuring entrepreneurial orientation.*

**KEYWORDS:** *Spiritual Marketing, Marketing Capability, Sustainable Competitive Advantage,*

## INTRODUCTION

PT. Pertamina (Persero) is an Indonesian state-owned company that manages businesses operating in the fields of oil and gas mining. The corporation is responsible for the processing and distribution of petroleum and gas, including across the country. In accordance with the provisions of Act number 8 of 1971, the distribution and marketing of fuel in Indonesia has always been the sole responsibility of Pertamina. The provision of Act number has made it possible for the retail distribution and marketing of oil and gas to be opened up to the general public, with a transition time of five years having been allotted for this purpose. As a result, beginning in 2006, a number of corporations based both in the United States and elsewhere in the world have begun to invest in the industry, particularly in retail and corporate fuels (industrial, marine, and Aviation). Currently, Pertamina manages more than 109 gasoline Terminals, 62 Aircraft Filling Depots (DPPU), and 62 Aircraft Filling Depots (DPPU) to store fuel. Additionally, the corporation has about 5,350 gas stations, the majority of which are privately-owned APMS, agents, and more than. In addition, Pertamina has more than 250 ships, 5 airplanes, a series of trains, of gasoline pipelines (natural gas pipes are not included), and tankers (this does

not include transport trucks/pickups to agents and bases), all of which are used to distribute fuel and other products. Because of the increasingly cutthroat competition in this industry (both at the retail and corporate levels), Pertamina has lost some of its market share, which has resulted in the profitability of the general fuel industry continuing to decrease dramatically.

In the well-known publication Fortune, which compiles an annual ranking of the top 500 firms in the world based on sales, published a list of the 500 companies that it considers to be the largest in the world. PT. Pertamina (Persero), an energy business that is owned and operated by the Indonesian government, was included on the list for the very first time this year and ranked fifth. On the list of the 500 most profitable companies in the world, the only Indonesian firm to appear is Pertamina. Super severe competitors on all levels—local, national, and global—require businesses to develop business plans that are both competent and competitive in order to survive. At the moment, Pertamina's position in Fortune Global has also dropped, to.

The capacity for innovation (in marketing) and an attitude toward entrepreneurship (in entrepreneurship) are both related to these methods. Both of these are essential components to developing a durable edge in the market. The vast majority of businesses start out in existence already possessing a competitive edge, or they employ certain criteria and standards with the intention of eventually acquiring one. The use of business efficiency is frequently used as a method for developing a competitive advantage. After establishing a distinct edge over its competitors, a corporation ought to provide something that its rivals are unable to provide. If a firm wants to maintain a sustained competitive edge, it must be able to manufacture unique items or come up with innovative solutions. After determining the possible competitive advantages, research needs to be done to establish the appropriate plan for achieving the intended objectives in a timely, accurate, and appropriate manner. In this scenario, gaining a competitive edge is typically only possible by targeting specific markets with specific goods or services or by operating in certain geographic regions. It is anticipated that a business plan of this type will assist an organization in identifying high-demand items and customer targets for both short-term and long-term objectives.

More significantly, if a continuing business has competitive resources and advantages over its competitors, and as long as suitable strategies are used, and diverse resources and capabilities are utilized successfully, the firm will likely remain competitive. This is because of the advantages and resources that the business possesses. Taking into account factors like as durability, replicability, and feasibility will help you keep your advantage over the competition. The originality, exclusiveness, replicability, irreplaceability, and price competitiveness of a product or service are all examples of indicators that may be used to quantify a company's competitive advantage.

The value of the art that complements the tastes of clients is directly related to the degree to which a product is distinctive. The capacity of a company to modify the price of its products such that they are comparable to the market's average price is what we mean when we talk about competitive pricing. There is a correlation between a product's irreplaceability and its ability to maintain its exclusivity. The concept of replicability refers to the degree to which a product may be copied exactly. The concept of irreplaceability refers to the fact that certain items cannot be replaced by any other products that are comparable. According to the explanation, spiritual marketing is a marketing strategy. It is the ability to understand and meet the needs, desires, and expectations of others (customers, employees, and other clients, and all those related), and it is based on the values that are taught by God (morality, ethics, honesty, responsibility, fairness, togetherness, and so on). In a

similar vein, Tresnati et al. said that the language of the heart is utilized in spiritual marketing in order to ascertain the most appropriate course of action.

The goal of spiritual marketing is not just to turn a profit (to be profit-oriented), but it is also to promote worship ideals. These values include compassionate marketing, lessons that touch people's hearts, and morality as forms of worship to God. Not only does spiritual marketing have an effect on the marketing strategy of a company, but it also has an effect on the mentalities of the personnel of that organization. According to, having an entrepreneurial perspective is having the potential to produce something novel and distinctive. lent support to the idea that the marketing function of entrepreneurship is the primary element driving the growth of national economies. Entrepreneurs are more than just inventors; they are innovators as well. An entrepreneur is a person who manages the distribution of resources in the process of producing new versions of innovations that may already have been in existence.

Entrepreneurs establish novel relationships between the various elements that affect output. There are at least several kinds of innovations that a business owner may create. As a result, the sustainable competitive advantage of Pertamina's general fuel marketing should be done based on spiritual marketing, and its entrepreneurial orientation should be strengthened. These two things should be done simultaneously. In this study, a SEM analysis in the form of GSCA was performed, and the effect of spiritual marketing and entrepreneurial orientation on sustainable competitive advantage with innovation capabilities as the intervening variable was elaborated in regard to the marketing of general fuel by PT. Pertamina (Persero). This study was conducted in relation to the marketing of general fuel by PT. Business plans are used to develop the long-term viability of an organization by investing in and innovating with the funds provided by the company's profits. However, sustainability alone is not enough for businesses; they must also provide something meaningful and useful to the lives of people and the environment in which they operate. This requirement served as the impetus for the birth of spiritual marketing.

In this study, an in-depth analysis of the current state of Pertamina's general fuel marketing was conducted. According to the conditions of Pertamina's general fuel marketing, the ideas and theories of sustainable competitive advantage were established. Because there is currently a void in the existing body of knowledge on entrepreneurship and marketing orientation, the current investigation serves as a follow-up to previous research on the subject. Although certain forms of study have discovered a substantial beneficial connection between entrepreneurship and marketing, information concerning the function and position of spiritual marketing, as well as how innovation affects competitive advantage, including profitability and competences in the organization, has not been investigated. The originality of this research rests in the fact that previous research on the position and role of spiritual marketing in relation to marketing competency and sustainable competitive advantage that includes an entrepreneurial perspective has never been done.

## **SPIRITUAL MARKETING**

When it comes down to it, spiritual marketing is all about doing what God wants. God has entrusted humanity with the responsibility of satiating the wants and requirements of his other creations. This indicates that the goods and services that are being offered for sale should be useful to the neighborhood. Since God does not wish for any creature to be harmed, it is necessary for spiritual merchants to sell goods that will not cause harm

to other people. The focus of this idea is unequivocally on God. It is critical to have faith that God will reward everyone in the most just and equitable way possible for their good deeds.

## OBJECT

1. The research on the relationship between spirituality and advertising
2. The research paper entitled Advantage with Marketing Capabilities as Mediation

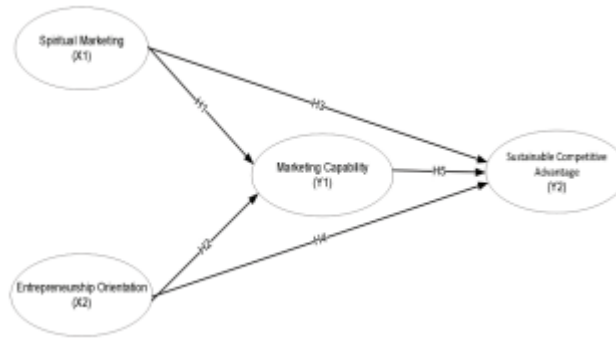
## RESEARCH METHODOLOGY

A positive and quantitative strategy was utilized throughout the course of this investigation. The development of research hypotheses in quantitative studies typically involves the use of deductive reasoning. For the purpose of this investigation, a survey approach was utilized, in which representative samples were drawn from the whole population. The participants who worked at PT Pertamina (Persero) were examined as a unit of analysis for this study. Employees and executives who worked in central and regional marketing offices (MOR) all throughout Indonesia were included in the research population. In order to choose the samples for the investigation, a technique known as limited probability sampling was used. According to Sekaran (2003), restricted probability sampling is a method for picking units with an equal probability. This method permits the same unit to be picked for samples more than once. The researchers made use of the Slovin formula, which was referenced by Umar (2003) as follows, in order to figure out the sample size and the number of samples:

$$n = \frac{N}{1 + Ne^2} = \frac{3.207}{1 + (3.207)(0,0025)} = \frac{3.207}{9,02} = 355.64 \approx 356$$

(MOR) in areas I to VIII PT. Pertamina (Persero). According to Slovin's method, the minimal number of respondents needed for a sample size with a tolerance level of 5% is 356, given a population size of 3,207. In the process of data analysis, a quantitative strategy was utilized, which consisted of both descriptive statistical analysis and inferential statistical analysis. In addition to that, data analysis was carried out utilizing the GSCA model for the reasons as follow: The analytical technique is reliable and does not call for a large number of assumptions to be made, which makes it feasible to examine a number of latent variables all at once. It is not necessary to utilize a huge number of samples. The number of item indicators in the structural model helps to ensure that each latent variable only has one dimension, much like in the GSCA application. The conceptual framework of this study relates the factors, where spiritual marketing and entrepreneurial orientation effect sustained competitive advantage via marketing competence. This study was conducted in the United Kingdom.

What Effects Does Spiritual Marketing Have on Long-Term Competitive Advantage? No research has demonstrated that spiritual marketing has any influence on a company's ability to maintain a sustainable competitive edge. Therefore, it is fascinating to investigate whether or not spiritual marketing has an effect on the long-term competitive advantage of a firm.



**Figure 1: Conceptual Framework**

evaluated whether or not there was a relevant relationship between the company's success in obtaining competitive advantage and its market orientation, innovation, or learning orientation. All of the hypotheses that were given for the research were confirmed by the findings of the analysis of the data, which indicates that market orientation, innovation, and learning orientation all impact the success of a company in terms of obtaining competitive advantage. created a mental representation of the competitive advantage that was developed. The theoretical conclusions from this research made a contribution to the existing body of work on the topic of competitive advantage. In contrast, the management findings of this study revealed that learning orientation, market orientation, and product innovation all had a substantial impact on a company's ability to maintain a competitive edge. Investigate both the moderating impacts of firm age on the innovation-competitive advantage connection as well as the influence that innovation has on competitive advantage in small and medium-sized food manufacturing businesses in Malaysia. According to the findings of the study, innovation has a significant and favorable influence on a company's competitive advantage, and this influence accounts for 73.5 percent of the variance in competitive advantage. According to the findings, small and medium-sized businesses (SMEs) should engage in innovation in order to achieve a competitive edge.

**DATA ANALYSIS**

In the current investigation, the estimation of the model's parameters was accomplished using the SEM method and the GSCA program. It was important to assess the validity and reliability of each questionnaire item on each variable before attempting to estimate the parameters. This was done before the estimation process could begin. Validity testing was done to make sure that the research data that were utilized were accurate, and reliability testing was done to make sure that the instruments that were used were accurate in measuring the variables that were supposed to be assessed. After conducting tests to determine the validity and reliability of each variable, it is possible to draw the following conclusions: Spiritual Marketing (X1), Entrepreneurial Orientation (X2), Marketing Capability (Y1), and Sustainable Competitive Advantage (Y1) variables are all valid and reliable. According to Table 1, all latent variables have at least some positive and negative signs. The ethical (akhlaqiyah) component has the highest loading factor (0.8127), making it the most accurate indicator for the spiritual marketing factors. Competitive aggressiveness has the highest loading factor of any indication for entrepreneurial orientation, coming in at 0.8270. This makes it the top indicator for entrepreneurial orientation. While marketing innovation has a loading factor of 0.8873, making it the best indication of a company's capacity to sell its products or services. Both of the indicators that go into making up the sustainable competitive advantage variable have loading factor values that are excellent, coming in at 0.9444 and 0.9410 respectively.

**Table 1: Model Measurement Evaluation**

Variable	Indicator		Loading Factor	P-value	Information
Spiritual Marketing (X1)	Theistic (Rabbaniyyah)	X11	0.7998	<0.001	Significant
	Ethical (Akhlaqiyah)	X12	0.8127	<0.001	Significant
	Realistic (al-waqiah)	X13	0.6994	<0.001	Significant
	Humanistic (Al-Insaniyyah)	X14	0.7832	<0.001	Significant
Entrepreneurship Orientation (X2)	Creation	X21	0.8004	<0.001	Significant
	Risk-Taking	X22	0.7978	<0.001	Significant
	Proactive	X23	0.8045	<0.001	Significant
	Competitive Aggressiveness	X24	0.8270	<0.001	Significant
	Autonomy	X25	0.7748	<0.001	Significant
Marketing Capability (Y1)	Product Innovation	Y11	0.8721	<0.001	Significant
	Process Innovation	Y12	0.8337	<0.001	Significant
	Managerial Innovation	Y13	0.8710	<0.001	Significant
	Marketing Innovation	Y14	0.8873	<0.001	Significant
Sustainable Competitive Advantage (Y2)	Market Viewpoint	Y21	0.9444	<0.001	Significant
	Strategy	Y22	0.9410	<0.001	Significant

**Table 2: The Results of Fit Structural Model Measurement**

Parameters	Measurement	P-Value	Criteria	Conclusion
FIT	0.5706	0.0000	P < 0.05	Significant
Adjusted (AFIT)	FIT 0.5678	0.0000	P < 0.05	Significant
GFI	0.9871	0.0000	P < 0.05	Significant

Standardized Root Mean Square (SRMR)	0.1929	0.0000	P < 0.05	Significant
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The findings of this study demonstrated that there is a considerable positive connection between Spiritual Marketing and Marketing Capability. A path coefficient of 0.2936 and a p-value indicate that an increase in Spiritual Marketing that is more effective can lead to an increase in Marketing Capability. It is possible for the degree of Marketing Capability to be affected by the level of Spiritual Marketing. This suggests that strong Spiritual Marketing on the part of Pertamina workers will result in increased Marketing Capability on the company's part. In this investigation, Ethical Marketing is the primary indicator that measures Spiritual Marketing. On the other hand, the Marketing Capability variable has the Marketing indication as its most important constituent. This study has never been done before in the history of research. As a result, this research presents a unique idea (novelty) on the positive and significant influence that spiritual marketing has on one's capacity to market their products or services. It is advised to Pertamina that they strengthen the application of Spiritual Marketing, particularly Ethical (Akhlaqiah) Marketing in order to increase their Marketing Capability. When it comes to integrating the changes in technology, organization, and the market, as well as developing new strategies to preserve the company's sustainability via Sustainable Competitive Advantage, innovation is an essential component of a business that cannot be overlooked.

A path coefficient of 0.3566 and a p-value indicate that there is a significant positive influence between the entrepreneurial orientation, which consists of five indicators (Creation, Risk Taking, Proactive, Competitive Aggressiveness, and Autonomy), and the marketing capability, which consists of four indicators (Product Innovation, Process Innovation, Managerial Innovation, and Marketing Innovation). A more robust orientation toward entrepreneurship is followed by an even more robust marketing capability. This demonstrates that workers of Pertamina who have a strong orientation toward entrepreneurship will boost the company's marketing capability. The most important factor that determines an individual's orientation toward entrepreneurship is competitiveness. On the other hand, when it comes to marketing capability, the indication that is most important is marketing. The findings of this research provide credence to the findings of Ferreira et al. (2018), who discovered that dynamic ability, creative skills, and marketing capabilities all have substantial positive impacts on performance, with Entrepreneurial Orientation serving as the variable that mediates these relationships. It has been asserted that the capacity for market sensing has a favorable impact on the innovation of corporations. As a result, the findings of this study provide credence to the findings of earlier studies, which discovered a beneficial and statistically significant link between spiritual marketing and marketing capability.

is a major indirect link that is mediated by Marketing Capability. This relationship has a considerable effect on the relationship between Entrepreneurial Orientation and Sustainable Competitive Advantage. A sign of good indirect impact was shown by the route coefficient, which indicates that the influence is acting in just one direction. The greater an organization's orientation toward entrepreneurship, when coupled with improved marketing capabilities, can produce stronger sustainable competitiveness. This study finds that inter-organizational learning does not play a major role as an intervening variable that functions by receiving input from the green entrepreneurial orientation and market orientation as an exogenous construct. The conclusions of that study are contradicted by the findings of this study, which indicate that inter-organizational learning does play an essential role. In addition, demonstrates that the entrepreneurial mindset has a major impact on a

company's ability to maintain a competitive advantage. As a result, the findings of this study establish a novel idea (novelty) according to which entrepreneurial orientation does not have a substantial impact on a company's ability to maintain a competitive advantage. Instead, the effect is greatly altered if it is mediated by marketing capability. This is the case because marketing capability affects the influence significantly.

With a path coefficient of 0.1865 and a p-value of 0.0027, this study demonstrates that Marketing Capability, which is comprised of four indicators (Product Innovation, Process Innovation, Managerial Innovation, and Marketing Innovation), has a positive and significant influence on Sustainable Competitive Advantage, which is comprised of two indicators (Market Perspective and Strategy). A more powerful marketing capability will be followed by an even more formidable sustainable advantage in the market. This suggests that the Marketing Capability of Pertamina workers will contribute to the company's Sustainable Competitive Advantage in the future. When it comes to assessing the Marketing Capability variable, the Marketing indicator is by far the most important. On the other hand, in regard to the Sustainable Competitive Advantage, the most important indicator is This study fits in with the theory that firm performance may be influenced by factors such as market orientation, innovation, and learning orientation in order to achieve sustainable competitive advantage. According to the findings of prior research, learning orientation, market orientation, and product innovation each have a major effect on a company's ability to maintain a competitive edge. According to the findings of the research, small and medium-sized businesses (SMEs) should be encouraged to engage in innovation in order to gain a Sustainable Competitive Advantage. The research also indicated that the average age of a company's employees has an effect on the connection between innovation and sustainable competitive advantage. This research proposes a methodology that other Malaysian small and medium-sized enterprise (SME) managers may use to analyze the impact that innovation has on sustainable competitive advantage.

## CONCLUSION

According to the findings of this study, Spiritual Marketing and an Entrepreneurial Orientation are two factors that contribute significantly to an increase in Marketing Capability. In other words, if you want to increase your marketing capability, you need to ensure that Spiritual Marketing and Entrepreneurship Orientation are properly implemented. According to the findings of this study, Spiritual Marketing and Entrepreneurial Orientation do not have a direct impact on Sustainable Competitive Advantage; however, Marketing Capability does have an indirect impact on the link between these two factors. The extent of a company's Sustainable Competitive Advantage is impacted by its Marketing Capability. Therefore, Spiritual Marketing and Entrepreneurship Orientation play essential roles in the improvement of the company's Sustainable Competitive Advantage, notably in the marketing of Pertamina's General Fuel. This is particularly the case when it comes to the marketing of Pertamina's General Fuel. The fact that this study is a cross-sectional study, which means that it was only carried out during one specific time period, is the reason why it cannot be generalized to apply to all times throughout history. It is anticipated that future studies will make use of longitudinal research in order to detect significant changes and generalize findings with more precision.

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