

Entrepreneur Orientation and Marketing Performance of Tourist Destination: The Role of Trust of Interorganizational Network Reconfiguration as Mediating Variable

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ABSTRACT

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Introduction: Destination marketing performance is increasingly recognized as a critical factor for tourism sector success amid growing global competition. Innovation and proactiveness are two internal organizational behaviors that are believed to have significant roles in enhancing competitiveness. Meanwhile, trust-based organizational networking is considered a key external factor in optimizing marketing outcomes. However, the interconnected relationship among these variables remains underexplored, especially within the context of tourism destinations.

Objectives: This study aims to examine the effect of innovative behavior and proactiveness on destination marketing performance, with organizational networking as a mediating variable. The research seeks to provide empirical evidence regarding the strategic role of trust-based networks in strengthening marketing efforts.

Methods: The research employed a quantitative approach using Partial Least Squares (PLS-SEM) to test the proposed model. Data were collected through questionnaires distributed to 100 respondents representing destination management organizations, with data analysis performed using SmartPLS software.

Results: The findings show that innovative behavior and proactiveness positively and significantly influence destination marketing performance. Furthermore, organizational networking based on trust mediates these relationships, enhancing the impact of innovation and proactiveness on marketing outcomes. The results support the notion that internal capabilities and external networks must synergize to achieve sustainable marketing performance.

Conclusions: Organizations aiming to improve destination marketing performance should prioritize fostering internal innovation and proactiveness while simultaneously building trust-based networking. A strategic combination of internal and external capabilities enables organizations to adapt faster and achieve higher competitiveness in an increasingly dynamic tourism environment.

Keywords: Innovation; Proactiveness, Trust, Marketing Performance.

INTRODUCTION

The development of tourist villages in Indonesia is still ego-sectoral and not integrated with the tourism destination levers that ultimately make tourist villages unable to achieve sustainability [1]. Lack of collaboration between stakeholders, unhealthy competition between tourist villages or between sectors, inefficiency in the use of resources, such as funding and infrastructure. Tourist villages that ignore opportunities for cooperation with large destinations around them often lose the potential to attract more tourists [2].

The number of tourist villages in Central Java decreased from 818 million in 2022 to 776 in 2023 [3]. However, only 34 villages are included in the category of developed tourist villages. The small number of tourist villages that fall

into the developing category can be caused by several things such as insufficient funding, lack of human resource capacity for managing tourist villages, lack of innovation in developing the potential of tourist villages, and problems with the marketing performance of tourist villages [4], [5]. Moreover, Marketing performance has been proven to influence the development of tourist villages and the economy of the communities around tourist villages [6]. According to [7], there are three factors that influence marketing development policies in village empowerment that have not been able to develop optimally, such as resources, communication and the political, economic and social environment [8], [9].

One of the factors that influences marketing performance is innovativeness. Innovation is a way to adapt to a dynamic environment. Therefore, new thinking and new ideas are needed by offering innovative products and improving services that can satisfy customers [10] [11]. Innovative products and services produced by tourist villages have been proven to improve the marketing performance of tourist villages [12]. Moreover, Website-based technological innovation has also been proven to improve branding and marketing performance of tourist villages [13].

Proactiveness is also a factor that can influence marketing performance. [14] examined the effect of proactiveness on performance of SME's in Nigeria. The results of the study indicate that competitive advantage mediates the relationship between competitor orientation, proactivity and SME performance indirectly. It was further revealed that competitor orientation and proactivity have a significant influence on SME performance [14].

This has a positive impact on improving marketing performance through innovation and developing strategies that are in line with market needs. Proactive tourist villages can attract new tourists quickly and create an attractive destination image. [15] proactiveness improves marketing performance through identifying market opportunities and developing competitive advantages. This study shows that proactive companies tend to have higher competitiveness and better marketing performance. According to [16], proactiveness in entrepreneurial marketing practices strengthens performance by creating unique value propositions and competitive advantages. This study emphasizes the importance of synergy between sustainability and market orientation to improve long-term performance. Tourism villages that combine local cultural values with global tourism trends can produce sustainable marketing performance [17].

Trust of interorganizational networks can affect marketing performance. Trust of interorganizational networks can increase collaboration and efficiency. [18] showed that networks with high levels of trust are able to maximize synergies in developing joint brands (cobranding). Moreover, trust of interorganizational networks can help adapt and respond to Market Changes. Furthermore, trust of interorganizational networks can improve performance. According to [19] shows that a solid tourism ecosystem can improve competitiveness and marketing performance through network-based innovation. In the context of tourism villages, trust between organizations is needed to coordinate actors such as local MSMEs, indigenous communities, and the government. [19] discusses the importance of communication and trust in inter-organizational networks for tourism destination management. This study highlights how trust-based management can influence marketing strategies and improve the competitiveness of tourism destinations by strengthening relationships between stakeholders.

Previous studies had been discussed about the effect of proactiveness on marketing performance ([15]; [16]. Moreover, the relationship between innovativeness and marketing performance also had been examined by previous researchers. However, only few studies discussed about trust of interorganizational as moderating variable. Thus, this research will examine the role of trust of interorganizational as moderating variable of the influence of innovativeness and proactiveness on marketing performance.

METHODS

The population of this research is tourism village in Indonesia. The total number of tourism village in Indonesia is 818. Moreover, the total number of samples of this research is 100 village tourism. The data is collected by questionnaire. The independent variable of this research is innovativeness and proactiveness. On the other hand, the dependent variable is marketing performance of tourisms village. In addition, the moderator variable is interorganizational network configuration. Table 1 describes definitions and indicators of all variables.

Table 1. Variable Definitions and Indicators

VARIABLE	DEFINITIONS	INDICATOR
Marketing Performance of tourism village	Tourism destination performance is a measure of the effectiveness and efficiency of marketing activities in the form of growth in the number of visitors, growth in the amount of revenue, growth in the amount of profit.	<ol style="list-style-type: none"> 1. Growth in the number of visitors. 2. Growth in the amount of revenue. 3. Growth in the amount of profit
Innovativeness	Innovativeness entrepreneurial orientation is the tendency of entrepreneurs to engage in supporting the search for new ideas, experiments, and creative processes that can result in new solutions, new products, or new services.	<ol style="list-style-type: none"> 1. Tendency to seek new ideas. 2. Tendency to try new ways. 3. Tendency to discover something new. 4. Tendency to utilize new technology.
Proactiveness	An entrepreneur's tendency to focus on creating opportunities and taking initiative actions before the emergence of clear demands or external pressures.	<ol style="list-style-type: none"> 1. Willingness to face market dynamics. 2. Tendency to seek new opportunities. 3. Initiative in taking advantage of opportunities. 4. Future-oriented.
Interorganizational network mandate	trust and responsibility that must be maintained by each party in the inter-organizational network to ensure successful cooperation and achieve common goals.	<ol style="list-style-type: none"> 1. Ability to obtain trustworthy partner organizations. 2. Ability to obtain honest partner organizations. 3. Ability to obtain responsible partner organizations. 4. Ability to maintain trustworthy partner organizations. 5. Ability to maintain honest partner organizations. 6. Ability to maintain trustworthy partner organizations. 7. Ability to reduce untrustworthy partner organizations. 8. Ability to reduce dishonest partner organizations. 9. Ability to reduce irresponsible partner organizations.

Smart PLS is a graphical user interface software for PLS-SEM. According to [20] some of the functions of WRP-PLS include: 1) Implementation of classical and factor-based PLS algorithms; 2) Identification of nonlinear relationships

and estimation of corresponding path coefficients; 3) Modeling of linear relationships, using classical and factor-based PLS algorithms. Furthermore, The PLS evaluation model is employed in order to evaluate both the outer model and inner model. Evaluation of the inner model is carried out using the percentage of variance explained by the R square value. On the other hand, Evaluation of the outer model (measurement model) was carried out through Confirmatory Factor Analysis (CFA) to test the validity and reliability of the latent construct.

This study uses two validity tests. The first validity is convergent validity which is tested through the loading factor value, with the analysis results showing that all indicators must have a value above 0.40. The second validity is discriminant validity tested with AVE, and all constructs must have an AVE value of more than 0.5. This shows that the discriminant validity in this study is adequate. This study also uses a reliability test using the composite reliability test. The composite reliability value requires more than 0.6. In this study, fit testing was also carried out using goodness of fit which displays the Average Path Coefficient (APC), Average R-Squared (ARS), Average Variance Inflation Factor (AVIF), Average full collinearity (AFVIF), and Tenengaus GoF (GoF).

RESULTS

Measuring the outside of the model will help one ascertain the dependability and validity of the indicators. The loading factor value has to be more than 0.7 [21]; if the correlation value is less than 0.7, the indicator is deleted [22]. Should presumptions be satisfied, the model is deemed excellent, as illustrated in Table 2 below:

Table 2. Data quality test

Variables	Indicators	Loading Factors Running	Cronbach's Alpha	AVE	Composite Reliability	Variables
Innovativeness	I1	0,787		0,877	0,911	0,771
	I2	0,868				
	I3	0,875				
	I4	0,709				
Proactiveness	P1	0,779		0,898	0,921	0,722
	P2	0,721				
	P3	0,892				
	P4	0,760				
Trust	TIN1	0,733		0,862	0,922	0,782
	TIN2	0,755				
	TIN3	0,781				
	TIN4	0,742				
	TIN5	0,788				
	TIN6	0,735				
	TIN7	0,712				
	TIN8	0,811				
	TIN9	0,861				
Marketing Performance	MP1	0,767		0,811	0,934	0,812
	MP2	0,774				
	MP3	0,709				

Source: Authors' own work

Based on the data table above, one can see that all components of the loading factor are more than 0.7 [23], all components of Cronbach's alpha are more than 0.7, and all components of AVE are more than 0.6. Every aspect of composite dependability exceeds 0.7. Thus, one may say that this model is really excellent.

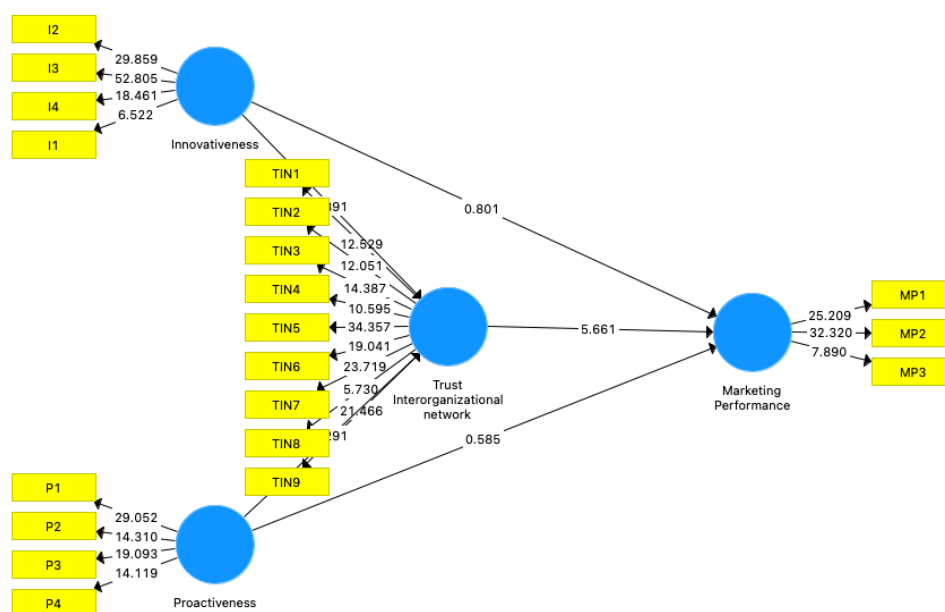
Examining the R-square can let one assess the expected link between the structural models or hidden variables. Table 5 exhibits the R-square value; Figure 2 displays the structural model. Table 3 has R Square values listed below:

Table 3. Value of R Square

	R Square	Adjusted R Square
Marketing Performance	0,712	0,702

Source: Authors' own work

Table 3 presents the R Square and Adjusted R Square values for the Marketing Performance variable. The R Square value of 0.712 indicates that the model is able to explain 71.2% of the variation in marketing performance, while the remaining 28.8% is explained by other factors outside the model. The Adjusted R Square value of 0.702 accounts for the number of predictors in the model, providing a more accurate estimate of its explanatory power for the population. The small difference between R Square and Adjusted R Square suggests that the model is well-fitted and does not suffer from significant overfitting.



Source: Authors' own creation

Figure 2. Structural Equation Model

Testing the hypothesis of all the above varying correlations in Table 4 comes next. The P-value serves as the yardstick for this hypothesis test. It is said to be linked if the computed P-value is less than the alpha value, 0.05. It is said to be unrelated, however, if the computed P-value exceeds the alpha value (0.05). The outcome of the hypothesis test is as shown:

Table 4. Hypothesis Test

Hypothesis	Relationships	Original Sample	T.Statistics	P-Value	Result
1	Innovativeness to Marketing Performance	0,183	2,978	0,003	Accepted
2	Proactiveness to Marketing Performance	0,282	4,057	0,000	Accepted
3	Trust Interorganizational network mediate Innovativeness to Marketing Performance	0,273	0,096	2,839	Accepted

4	Trust	mediate				
	Proactiveness					
	Interorganizational		0,209	0,104	2,011	Accepted
	network to Marketing					
	Performance					

Source: Authors' own work

DISCUSSION

The findings of this study indicate that innovative behavior within organizations significantly influences the performance of destination marketing. This result is in line with previous studies emphasizing that innovation enables organizations to create unique products and services, thereby enhancing the attractiveness of destinations to tourists. Innovation also enables organizations to respond more quickly and creatively to changing market demands, thus strengthening their competitive advantage in the tourism industry.

Proactiveness also demonstrates a positive and significant influence on destination marketing performance. Organizations that are proactive tend to be more anticipatory toward emerging market trends, rather than merely reacting to changes after they occur. A proactive attitude helps organizations to seize opportunities earlier, maintain their market position, and build stronger relationships with tourists and other stakeholders. These findings support prior theories stating that proactiveness is a key component of entrepreneurial orientation that drives organizational success.

Organizational networking is found to significantly mediate the relationship between innovative and proactive behaviors and destination marketing performance. Trust-based networking allows organizations to collaborate more effectively with external parties, share critical information, access new resources, and engage in joint promotional activities that have a broader impact. The role of networking strengthens the positive effects of internal innovation and proactiveness, indicating that external collaboration is a crucial factor in optimizing marketing performance.

Specifically, the trust-based network acts as a strategic bridge that connects the internal capabilities of organizations with external market opportunities. Through high levels of trust, organizations are able to reduce coordination costs, enhance flexibility in collaboration, and accelerate the flow of information critical to developing more effective marketing strategies. Thus, building and maintaining trust within networks is not merely a complementary aspect, but an essential requirement for achieving sustainable performance improvements.

The mediating role of networking also illustrates that innovative and proactive behaviors alone are insufficient without an effective external environment to support them. Even though an organization is internally capable of creating new ideas and initiatives, without strong partnerships based on trust, the potential of such innovation and initiatives may not be fully realized. Therefore, organizational efforts must simultaneously be directed toward enhancing internal capabilities and strengthening external relationship networks.

From a theoretical perspective, these findings contribute to the literature by confirming the importance of network-based resources in the marketing performance of tourism destinations. Additionally, this study emphasizes that the relationship between internal entrepreneurial orientation and marketing outcomes is not linear but is strongly influenced by contextual factors such as the quality of inter-organizational networking.

Practically, the results of this study highlight the need for managers of tourism destinations to pay attention not only to internal innovation and proactiveness but also to the quality of their collaborations with external parties. Destination management strategies must be more integrated, combining internal capability development with strategic network building to achieve optimal marketing performance.

This study also reaffirms the increasingly strategic role of trust in the tourism sector, particularly as the industry faces rapid environmental changes such as digitalization, evolving consumer preferences, and heightened competition among destinations. Strong networking will help organizations be more agile in adapting to these changes.

Furthermore, the findings suggest that policies and support systems that encourage collaboration and trust among destination stakeholders, such as government programs, associations, and tourism forums, need to be strengthened.

A systemic approach that fosters inter-organizational trust will enable the tourism sector to achieve more sustainable competitiveness in the future.

Managerial Implications

Based on the study findings, several managerial implications can be drawn for destination managers to improve their marketing performance. First, it is essential for destination managers to foster an innovative culture within the organization. Innovation should not be limited to products and services offered to tourists but should also encompass new ways of marketing the destination, expanding promotional networks, and creating unique and differentiated tourist experiences. Managers must actively encourage creativity at all organizational levels.

Second, destination organizations must enhance their proactive attitude in facing market dynamics. Being proactive means not only reacting to changes but also anticipating emerging tourism trends and acting faster than competitors. In practice, this can be achieved by conducting regular market research, building systems to monitor changes in tourist preferences, and actively exploring new collaboration opportunities with private sectors, government bodies, and local communities.

Third, building and strengthening trust-based inter-organizational networks is crucial for driving marketing performance. Destination managers should prioritize transparent communication, share relevant information, and uphold commitments to long-term collaborations with various stakeholders, such as travel agencies, hospitality industry players, tourism associations, and local creative communities. A high level of trust facilitates more effective joint marketing activities.

Fourth, organizations should establish formal mechanisms to maintain trust within networks, such as clear cooperation agreements, regular meetings for evaluation and shared learning, and creating communication forums among network members. These steps not only strengthen mutual trust but also create an environment conducive to collaborative innovation and proactive responses to challenges in the tourism market.

Fifth, the results of this study encourage destination organizations to allocate specific resources to develop innovative and proactive capabilities, including training human resources, developing information technology for digital marketing support, and adopting a more adaptive and agile management approach. With this approach, organizations will be better prepared to adapt to rapid changes in the global tourism industry.

Suggestions for Future Research

This study has limitations regarding the scope of the sample and the variables studied. Therefore, future research is recommended to expand the study objects to include various types of tourism destinations, such as culture-based tourism destinations, ecotourism, and digital tourism destinations. Moreover, future research can develop models by incorporating other potentially influential variables, such as organizational dynamic capabilities, the role of digital technology in networking, or external environmental factors such as changes in tourism regulations.

Additionally, a longitudinal approach can be utilized to examine the relationship between innovation, proactiveness, networking, and marketing performance over a specific period. This is important to comprehensively observe the dynamics of these relationships amidst the rapidly changing tourism environment. Qualitative studies can also complement quantitative research to explore how innovation practices and trust-building in networks are implemented in the field.

With these developments, it is expected that future research results will provide broader and deeper insights into the strategic factors influencing the success of destination marketing in an increasingly complex global competition.

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