

ABSTRACT

Previous findings of product differentiation's direct effect on marketing performance are still arguable due to the inconsistencies. In a short term, product differentiation significantly contributes on marketing performance; however it is insignificant for long terms as competitors could imitate the way it differentiated. Business phenomenon of manufactures' marketing performance, specifically electronics devices and home appliances in Indonesia showed fluctuated trends during years, mean while's, China's manufacture marketing performance showed a significant increased. Current comparison study constructed orchestrated product advantages to fill the research gap between product differentiation and marketing performance, and Orchestrated Product Advantages (OPA) as mediating.

Current research deployed 400 manufactures in Indonesia and 440 Chinas' manufacturers as samples. Data gathering through survey with questionnaires, data analyzed with structural equation modeling with statistical software Amos version 18. Analyses for each countries then multi-group analysis conducted.

The findings suggested that in order to increase manufactures' marketing performance in both countries, firms should consider the orchestrated Product Advantages. This study provides evidences such as 1) the insignificant impact of product differentiation on marketing performance in neither Indonesia nor China; 2) it is statistically proves that product differentiation as the antecedents of orchestrated product advantages as it shows a positive impact on orchestrated product advantages. 3) Green Innovation Capability has a strong effect on as the antecedent of orchestrated product advantage 4) Green Innovation Capability has a positive impact on marketing performance. 5) Technological use capability also has a strong effect on orchestrated product advantages. 6) A significant impact of technological use capability on marketing performance 7) Orchestrated product advantages has a positive impact on marketing performance.

Keywords: *Product Differentiation, Green Innovation Capability, Technological Use Capability, Orchestrated Product Advantages, Marketing Performance.*

ABSTRAK

Sampai saat ini, pengaruh langsung diferensiasi produk terhadap kinerja pemasaran dari berbagai hasil penelitian terdahulu masih hangat diperdebatkan. Diferensiasi produk dalam jangka pendek memberikan kontribusi yang signifikan terhadap kinerja pemasaran, namun dalam jangka panjang diferensiasi produk bisa ditiru oleh para pesaing. Fenomena bisnis dari kinerja pemasaran perusahaan-perusahaan manufaktur di Indonesia, khususnya produk elektronik menunjukkan trend yang berfluktuasi sedangkan kinerja pemasaran produk elektronik di China menunjukkan trend yang terus naik. Studi ini mengkonstruksi Keunggulan Produk Terorkestrasi atau *Orchestrated Product Advantages* yang akan mengisi gap penelitian hubungan diferensiasi produk dan kinerja pemasaran dengan OPA sebagai pemediasi.

Studi ini menggunakan 400 manufaktur di Indonesia dan 440 manufaktur di China sebagai sampel penelitian. Data yang terkumpul dari survei dengan kuesioner, diolah dengan pendekatan model persamaan struktural (SEM) untuk masing-masing negara kemudian dilakukan multi-group analisis yang menggunakan program Amos versi18.

Hasil studi menunjukkan bahwa kinerja pemasaran di dua negara penelitian meningkat harus melalui keunggulan produk terorkestrasi. Studi ini membuktikan bahwa: 1) diferensiasi produk tidak berdampak signifikan terhadap kinerja pemasaran baik di negara penelitian Indonesia maupun China.. 2) Diferensiasi produk sebagai anteseden keunggulan produk terorkestrasi, sebagaimana diferensiasi produk menunjukkan pengaruh yang signifikan terhadap keunggulan produk terorkestrasi baik di China maupun di Indonesia. 3) Kapabilitas inovasi ramah lingkungan memiliki pengaruh yang kuat sebagai anteseden keunggulan produk terorkestrasi 4) Kapabilitas inovasi ramah lingkungan memiliki pengaruh positif terhadap kinerja pemasaran. 5) Kapabilitas penggunaan teknologi memiliki pengaruh yang kuat terhadap keunggulan produk terorkestrasi 6) kapabilitas penggunaan teknologi juga menunjukkan pengaruh yang signifikan terhadap kinerja pemasaran. 7) Keunggulan produk terorkestrasi berpengaruh positif pada peningkatan kinerja.

Kata kunci: Produk Diferensiasi, Kapabilitas Inovasi Ramah Lingkungan, Kapabilitas Penggunaan Teknologi, Keunggulan Produk Terorkestrasi, Kinerja Pemasaran.

Executive Summary

Product differentiation provides an opportunity for companies to be able to reach certain targets. One of product differentiation goals is to make products more attractive by comparing the quality of its uniqueness with competitors. Product differentiation offers a competitive advantage producers, as customers perceived it as something unique or superior. It is highly also depending on the competition and market position. Differences in product features play a crucial role for the company to maintain and protect declining price. Multi-product companies with a wide range of products aim to provide and create product differentiation. Distinguished unique concept is much more important at present than previous due to the tough competition. The key to successful marketing and competitive is differentiation

The concept of product differentiation was first introduced formally by Chamberlin (1967). Chamberlin stated that these types of products are generally crucial differentiated if there was a significant basis for distinguishing goods or services of one provider against competitors. Product differentiation depends on the characteristics of the physical and nonphysical Jones and Shaw (2005). Further, Jones and Shaw (2005) described that product differentiation refers to variations within products where consumers consider them as imperfect substitutes. The concept of differentiation described as the process of adding different characteristics and feature that are not only meaningful but also valuable, offered by companies to distinguish goods or services from their competitor.

Product differentiation could be done in several ways, such as the vertical and horizontal differentiation or mixed Ferrelra and Thisse (1996). Vertical differentiation refers to differences in the actual quality of the two brands. Vertical differentiation occurred in a market where some goods are available might be ordered according to quality from the highest to the lowest. While horizontal differentiation regard on differences between brands, this based on different product characteristics but not on differences on overall quality. When a product distinguished by features, but not available to order, horizontal differentiation appeared on the market.

Horizontal product differentiation could leverage the incentives for the seller from the high quality point of view to sustain high quality. It could be meant that horizontal product differentiation will increase the incentives for sellers to maintain product quality remains Bronnenberg (2007).

Horizontal differentiation could be associated with differentiation in color (different color versions for the same items), the styles (for example, a modern / antique), as well as in taste. It is quite common that, in horizontal differentiation, various suppliers offer price. For horizontally differentiated products, informative advertising allows consumers to find the products or services that are most suited to the preferences. Consumer preferences can be described as a location within a market or a place. The distance between the location of companies and consumers is the difference between product and consumer preferences. Therefore, the ad about the locations of a product offering aids for consumers to know which products closer to the consumer locations.

Facing competition, the company will not intensely invest in horizontal product differentiation but vertical product differentiation, even though every company has a strategy to maximize profits Richard and David (2009).

Implementation of product differentiation has an impact on costs, as well as direct and indirect costs. Direct costs are dealing with higher quality inputs, trained employees, higher advertising and better after-sales service. Whilst the indirect costs arose by differentiation variable interactions with cost variable. Logically, if the policies of differentiation minimize the scope of the corporate segment, this policy will limit the potential to exploit better economies of scale. When differentiation requires continual product upgrading, it will actually hamper the exploitation of product development, in other words, if the implementation offers competitive advantage, product differentiation implementation, of course can sustain higher performance.

In achieving consistency, improving performance and superior value creation continuously, maintaining good relationships with customers and building mutual customers must be implemented. To maximize the performance of the company, gain a competitive advantage can only be achieved through the creation of superior value as a competitive strategy Narver company and Slater (1990).

The purpose of the competitive strategy is to achieve a Sustainable Competitive Advantage Simatupang and Budyanto (2012) and the achievement of competitive advantage will improve business performance Bharadwaj, Varadarajan and Fahy (1993). One of the main objectives of the marketing strategy is to improve the long-term financial performance of a company. The competitive advantage is realized based on three factors, the first of the company's marketing strategy, the implementation of the strategy and the third industrial context Furrer, Alexandre, and Sudharshan (2007). One important component of the company's marketing strategy is the relationship with customers, channel members and with competitors.

Since the 1980s, the implementation of competitive advantage has been known as an attempt to identify and define the objectives of the company. Through a very well-known works: Competitive Advantage: Creating and Sustaining Superior Performance, further explained that the goal of all companies are to manage and achieve a competitive advantage over the competition Porter (1985).

To achieve a competitive advantage companies implement sales with lower cost / price or to differentiate products and services to their rivals Porter (1985). Cost and differentiation is often regarded as a positional advantage, for determining the position of the company in the market. A competitive advantage will push the company to get a higher margin than the average margin received by competitors, or often also referred to as excess profits.

Sustainable competitive advantage considered as continuously when a product cannot be imitated or duplicated by competitors which enable them to penetrate the industry in the long term and compete to gain excess profit. A company must obtain a permanent advantage (sustainable advantage) by creating

a brand name in terms of quality with value for money and it is difficult to replicate or duplicate for a relatively short period of time.

Some research that states that the product differentiation does not have a significant impact on the performance marketing Aliqah (2012). This study measures the differentiation based on the high quality of products, fast delivery, design and uniqueness of new products and product features. Results of this study also states that companies that implement product differentiation did not succeed because product differentiation is still a new thing for the company.

Other findings stated the product differentiation is very weak and does not affect significantly on the performance marketing Wahito (2011). This study deployed an inadequate product differentiation design which is led to insignificant impact on marketing performance. Research conducted in Germany, which is associated with differentiation in marketing performance states that differentiation is very dangerous at lower levels Kampkötter and Sliwka (2011). Another study supports the results of this study Nandakumar, Ghobadian, and O'Regan (2011), the research states that the insignificant impact of differentiation and does not correlate with marketing performance.

A combination of strategies may not always be effective in the organization as a driver. This is led to argueable; why the strategy does not have a significant impact on marketing performance despite the adopting integrated strategies as well as differentiation. Other studies that examined the effect of differentiation with an indicator of product quality, product innovation and differentiation CSR product differentiation on marketing performance (export performance and the performance of sales), stating that the insignificant impact of product differentiation on performance caused by environmental institutional second country exporters of origin and qualitatively different destination countries, as well as institutional environment Country of Origin (CoO) it creates pressure to adopt CSR and may affect the nature and content of CSR differentiation Boehe and Barin Cruz (2010).

Some factors that lead to product differentiation had no significant impact on the marketing performance is the inability of management staff to identify and determine differentiation. This study uses indicators of core competencies, new technologies, skills training, leadership, technology, design, brand, price and R & D Bolo (2009).

Research conducted in Brazil using the indicator development of new market segments, improving services, market forecasting, market share analysis and differentiated distribution is insignificant impact on the performance of marketing Sharma (2004). Marketing performance measured by sales growth in the domestic market, the domestic market share, and return on total assets. The results also stated that studies conducted did not use a strategy that is relatively important in carrying out the differentiation.

Differentiation of products and services measure new services and new procedures, service differentiation, usage of R & D also showed insignificant impact on marketing performance Hlavacka et al. (2001). The findings emphasize the differentiation and cost is insignificantly influence the marketing performance. Another study tested the environmental product differentiation has insignificant

impact on marketing performance Reinhardt (1998). In certain situations, the differentiation does not affect the marketing performance, when differentiation is not integrated with the company's overall product positioning that led to performance.

Based on business phenomenon, the gap and the research problem are formulated as follows:

1. Does product differentiation affect marketing performance directly or product differentiation affect marketing performance indirectly mediated by orchestrated Product Advantages.
2. Does green innovation capability directly affects the marketing performance or green innovation capability affect marketing performance mediated by orchestrated product advantages.
3. Does technological use capability directly affect marketing performance or technological use capability affect marketing performance indirectly mediated by orchestrated product advantages

Theory of the Firm (ToF) Williamson (1971) introduced the idea to maximize a company's managerial objectives through the size and firm. The second idea proposed is an adaptation mechanism that states the importance of asset ownership. To support the company's growth and size requires technology. A third proposal of theory of the firm determine or technological considerations to mastery higher technology. Mechanism adaptation on strategy flexibility must also own by enterprise s as an important proposal to fourth this theory. It is very clearly implied that when a company wants to increase the size of companies, growth firm must have a mastery of technology assets and has a flexible strategy

Penrose (1959) has been laying the concept foundations of the basic framework of The Growth Theory of the Firm (GTF). The general and comprehensive concept theory of firm and growth had been thought and written by Penrose (1959). But the thoughts and ideas of the book entitled "The Growth Theory of the Firm (GTF)" still inspire and referred to many writers and researchers until now. One of Penrose opinions (1959) is that The Firm as Collection of Productive Resources is the source of the birth of the theory-based resources and capabilities. Integration capability is rooted in the premise of the company as a collection of resources (Penrose, 1959; Wang and Ahmed, 2007; Yu, 2012b; Zubac, Hubbard, and Johnson, 2010)

Wernerfelt (1984 b) is the first originator of the theory-based source. Wernerfelt (1984b) adopted the "company as a collection of productive resources referred from GTF work of Penrose. Wernerfelt (1984b) analyzed the company's growth strategy focusing, internal resources rather than on products produced by the company. The company can use its accumulated resources position as a base to barriers to entry of competitors into the market (barriers to entry). Companies can be the first to enter the market, using its resources as a strategic position. This strategy is known as the strategy of "first mover" which can gain first mover advantage. Wernerfelt idea (1984b) the usage of the company's internal resources as a strategy to achieve a company's performance, from our preliminary concept,

it is very useful in the development of resource-based theory (resources based view / RBV).

Marketing strategy evolution as a science, can be seen as a confluence of perspectives, paradigms, theories, concepts, frameworks, principles, methods, models and metrics of a number of fields of study, such as marketing, strategic management and Industrial Organization Economics.

The existence of strategic management in the disciplines of management refers to the company's strategy and business. The company's strategy is used in a multi-business enterprise level while the business unit strategies used in the company's multi-business level. Meanwhile, marketing knowledge, both strategic marketing and marketing strategies used interchangeably. The marketing strategy is also used in building organizational strategy.

Implementation of the strategy itself has so far been widely recognized. As evidence that highlights the dual role of strategic marketing functions in modern organizations and orientation-based organizations and different departments Auh Merlo (2010). This statement is supported by an opinion stating the implementation of a dual strategy to offer a differentiated service and innovation. Aside from the dual role of strategic marketing, marketing is also functioning in NPD planning, strategic planning, strategic competition and risk-taking Hooley et al. (1992).

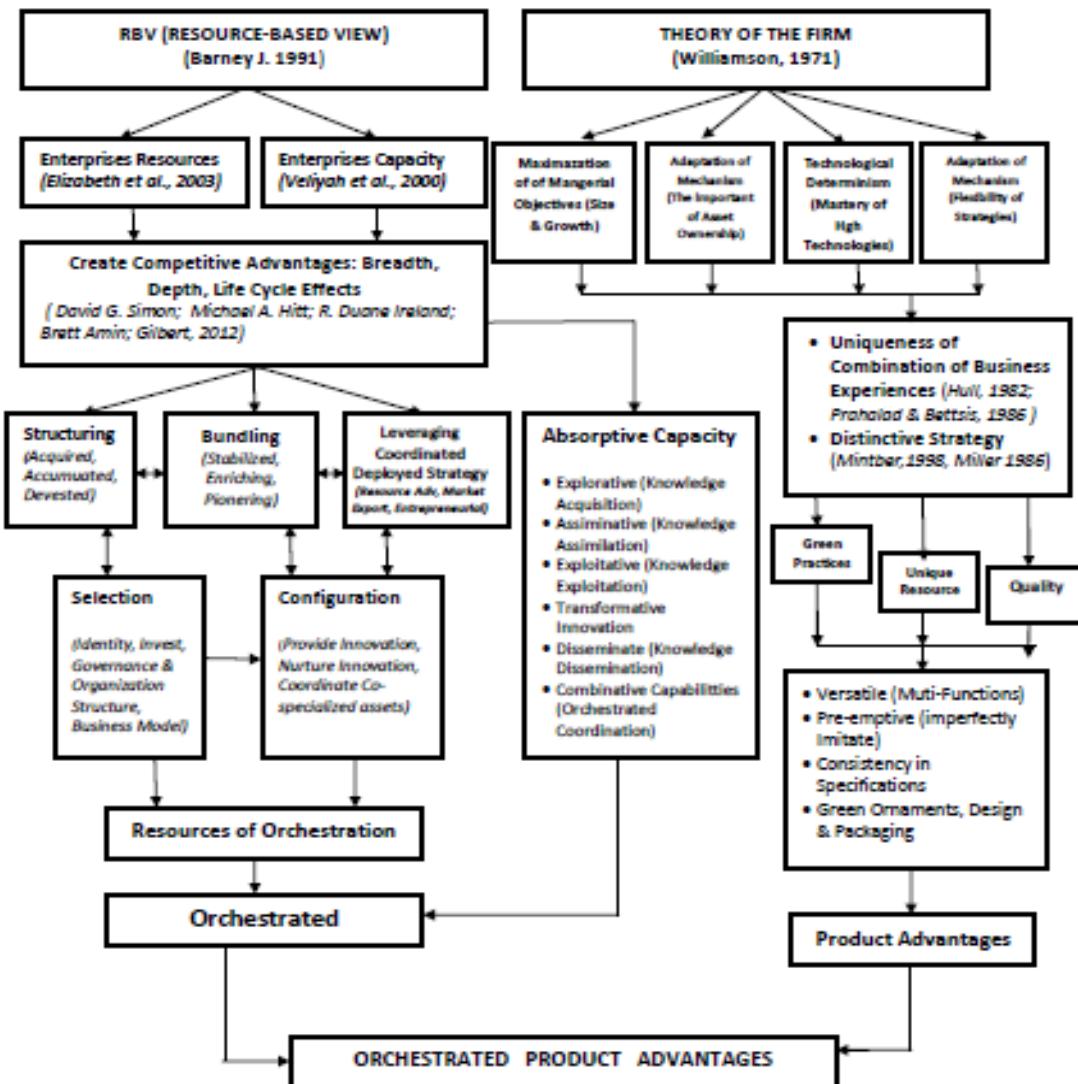
Corporate behavior is closely related to important aspects of the strategy that addresses environmental issues Andonova, Rodriguez and Sanchez (2013), in line with the statement that the company's behavior based on the shape and activities Faulkner and Bowman (1992).

Strategic marketing function greatly impact in all areas, in large-scale industry, the strategic function in export performance, Sharma (2004), the global market, international experience, high-tech products (Wu, 2011; Zoher E. Shipchandler, 1994). Strategic marketing functions in analyzing brand differentiation, online and traditional channels, the channel win-win strategy Yan et al. (2011), the function of the global competition and customer-based services (Lockamy and Smith, 1997; Nagasimha, 2004).

Various studies show the implementation of strategic marketing. Strategic use in business process management, collaboration work, strategic resources, portfolio management research, the capabilities of the dynamic and capacity absorptive (Armistead, Pritchard, and Machin, 1999; Deng, 2007; Hughes and Morgan, 2008; Killen et al., 2012; Moore and Manring, 2009; Nandakumar et al., 2011; Ndubisi and Matanda, 2011)

The existence of strategic management in SCM also offers benefits to organizations in both knowledge and the ability to achieve the objectives Ketchen and Giunipero (2004), in addition to its function in the SCM, a combination of strategies used in achieving high performance and strategy in times of crisis (Bourletidis, 2013; Kim et al., 2004; Krogh, Nonaka, and Aben, 2001; Miller, Hickson, and Wilson, 2008).

Fig. 1 Derivation of Orchestrated Product Advantages



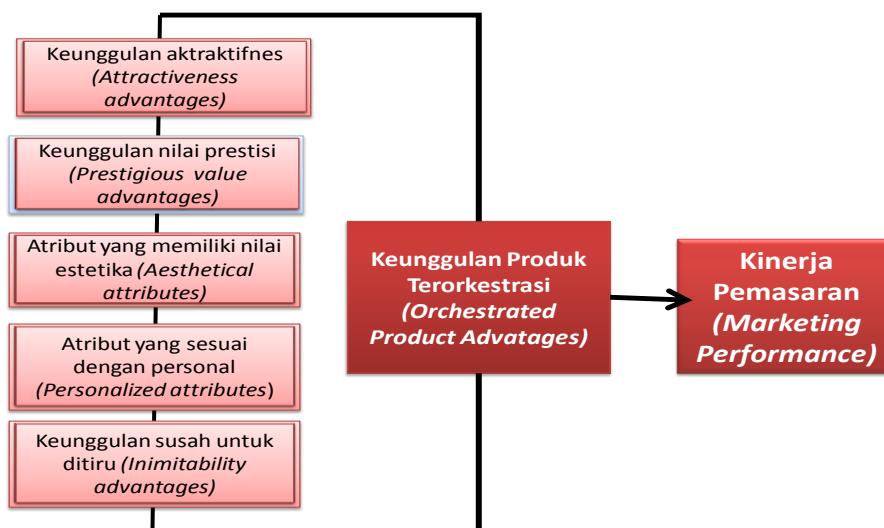
Source: Elaborated for this dissertation (2015)

Figure 1 suggests that orchestrated product advantages is derived from a combination of absorptive capacity and product advantages are claiming that these two concepts have in common dimensions of combinative capabilities or orchestrated coordination and product advantages. Scientifically based explanation that emphasizes the crucial impact of these dimensions, the proposition proposed in the study is as follows:

Orchestrated Product Advantages: Superiority products characterized with attractive advantages, prestigious values, aesthetical attributes, meet certain personal criteria and difficult to replicate. These superiorities portfolios have the potential to increase marketing performance.

For more details, research propositions models now can be seen in the following

Fig 2.
Model Proposition Orchestrated Product Advantages

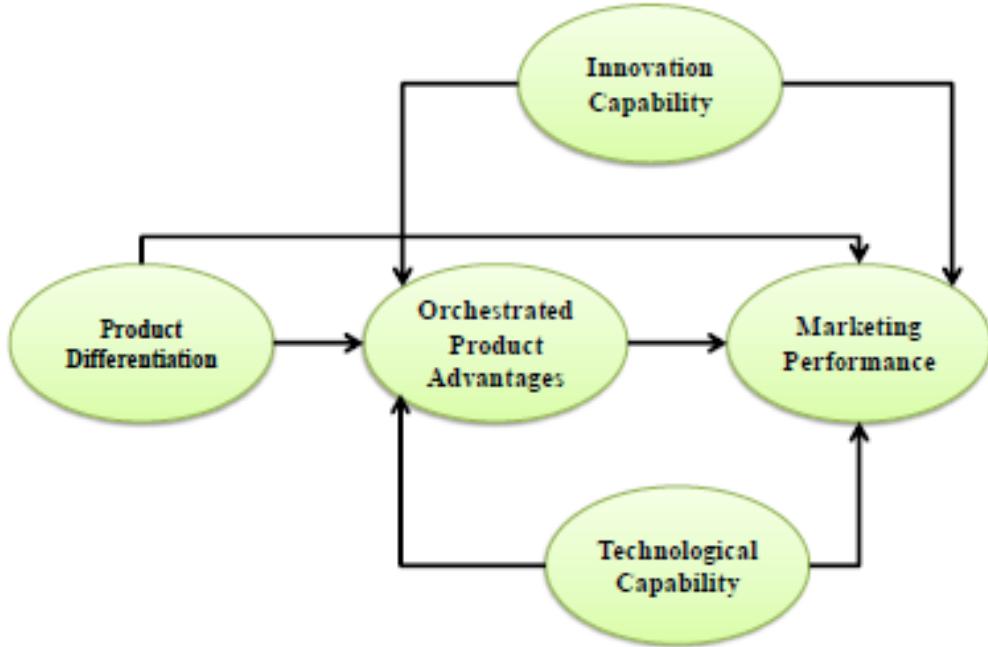


Source: Elaborated for this dissertation (2015)

The model proposition proposed Orchestrated Product Advantages mediate a direct relation to product differentiation and marketing performance as a gap in this study. A relation between the main variables in the model is the theoretical basis of the dissertation is the relation of product differentiation - orchestrated Product Advantages – marketing performance. Literature review indicates that Orchestrated Product Advantages obtained and constructed from product differentiation, green innovation capabilities and technological use capability.

Theoretical models developed on the basis of theoretical and empirical studies regarding on ; 1) the relationship of product differentiation on marketing performance; 2) the relationship of product differentiation on orchestrated products advantages; 3); the relationship between green innovation capabilities on orchestrated products advantages, 4) the relationship of green innovation capabilities on marketing performance; 5) relationship of technological use capabilities on orchestrated products advantages; 6) relationship of technological use capabilities on marketing performance; and 7) the relationship between orchestrated product advantages on marketing performance. The following fig describes the basic theoretical relationship among variables.

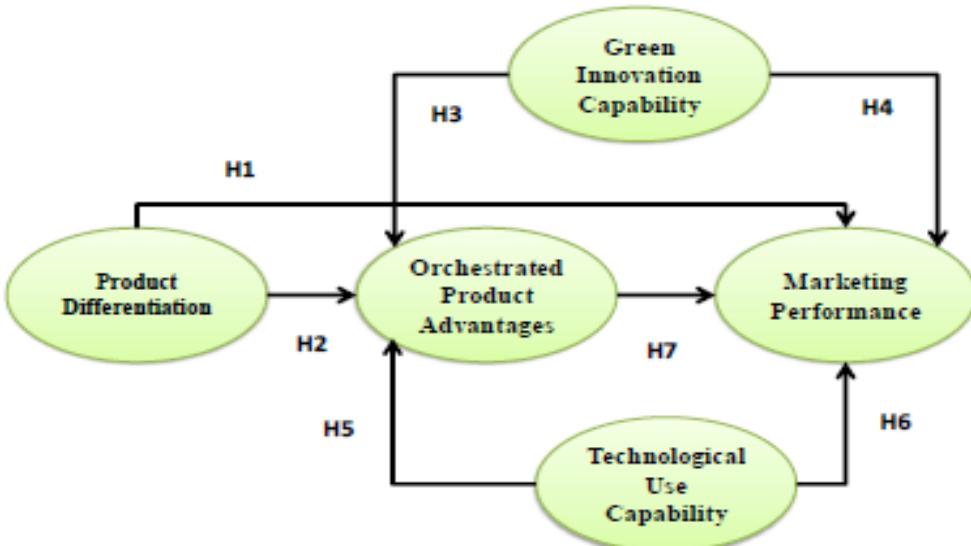
Fig 3.
Grand Theoretical Model for RRC and INA



Source: Developed for this Dissertation, (2015)

There are seven variables relationship create the basic theoretical models into the study of theory in establishing the research empirical model. Empirical model operationalized into 7 the research hypothesis. Fig.4 describes the empirical model as follows:

Fig 4.
Empirical Model for RRC and INA



Source: Developed for this Dissertation, (2015)

The research hypothesis becomes a reference to answer research questions. The following table presents the research hypothesis.

Table 1
Research Hypothesis

No	Hypothesis
Hypothesis 1	The higher the degree of product differentiation compared to competitors, the higher the degree of marketing performance.
Hypothesis 2	The higher the degree of product differentiation compared to competitors, the higher the degree of orchestrated product advantages
Hypothesis 3	The higher the degree of green innovation capability, The higher the degree of orchestrated product advantages
Hypothesis 4	The higher the degree of green innovation capability, The higher the degree of marketing performance
Hypothesis 5	The higher the degree of technological use capability, The higher the degree of orchestrated product advantages
Hypothesis 6	The higher the degree of technological use capability, The higher the degree of marketing performance
Hypothesis 7	The higher the degree of orchestrated product advantages, The higher the degree of marketing performance

Source: Elaborated for Dissertation (2015)

This study fills the gap of research on the relationship of product differentiation and marketing performance with orchestrated product advantages as the mediating. The study selected 400 manufactures in Indonesia and 440 manufactures in China that produce electronics equipment and home appliances. Data was collected by distributing questionnaires. Questionnaires distributed 500 pieces for each country. Purposive sampling was used to collect data from directory of manufacturing registered in ministry of industry. Processing data deploy structural equation modeling with statistical software Amos version 18 to answer research questions.

Description of respondents

By analyzing all the tables on the description of the respondents, it can be concluded that this study is dominated by manager, male, married, aged between 41 to 50 years, educated with master degree qualification, and work experience between 11 and 20 years, both in the PRC and Indonesia.

Table 2
Summary of respondent characteristics in China and Indonesia

No	Respondents description	RRC	INA
1	Respondent status based on the firm ownership with sex	(75%) Male	(60%) Male
2	Respondent status based on the firm ownership with marital	(89%) Married	(92%) Married
3	Respondent status based on the firm ownership with ages	(66%) 41 – 50 years	(67%) 41 – 50 years
4	Respondent status based on the firm ownership with educational background	(57%) Master	(60%) Master
5	Respondent status based on the firm ownership with tenure	(36%) 11 – 20 years	(39%) 11 – 20 years

Source: Primary Data Analyzed (2015)

Based cross tabulation analysis of the characteristics of the companies presented in the tables above, it can be concluded that most of company were initiated from the beginning, with long operating companies between 23 to 27 years, workforce $\geq 500,000$ Labor, assets of US \$ $> 500,000$, with machine equipment and tools as main products.

Table 3
Summary of firm's characteristics in China and Indonesia

No	Description of firms	RRC	INA
1	Firm ownership with the length of operational	(25%) 23 – 27 years	(22%) 23 – 27 years
2	Firm ownership with the total of workforces	(42%) $\geq 500,000$. workforces	(53%) $\geq 500,000$. workforces
3	Firm ownership with the Assets	(45%) US \$ $> 500,000$.	(44%) US \$ $> 500,000$.
4	Firm ownership with the main products	(41%) Machine Equipment and Tools	(40%) Machine Equipment and Tools

Source: Primary Data (2015)

The index value of product differentiation is the average of the indices forming the indicator of product differentiation. It shows that the company's ability to differentiate products by having a mean 68.35 (PRC) and 75 (Indonesia). Based on the criteria of five boxes range from the range of 10 to 100, the results of this study show that the ability to differentiate products is considered in the high category in both countries. The entirety of the product differentiation indicators that indicate the company's ability to differentiate products

The highest indicators index number is a specific design 69.82 (PRC) and the specific benefits (specific benefit) 77 in Indonesia. By knowing the value of the highest indices in the two countries during the more specific designs is particularly noted in China, while most considered factor in the production is the specific benefits.

While the indicator harmonized function, in two countries research 68.09 (PRC) and 76 (Indonesia) which may mean that in the process of production, manufacturers China and Indonesia have excellent ability in harmonizing the various functions of product. While the third highest indicators in China, product with specific benefits (68.25) and Indonesia is distinguished ornaments (73) as well as the specific benefits. Refers to the index value of the indicators specific benefits, when compared with the harmonic function and ornament, it can be summarized that in producing electronics, the China manufacturers prefer the design and functionality of the product. While in Indonesia, in producing electronics, the most preferred factors is the function and design of the product.

Index value of orchestrated product advantages is calculated from the average value of the index indicators forming the orchestrated product advantages, such as prestigious value advantages in China (64.48) and Indonesia (78.17). The aesthetical advantage of product attributes China (67.41) while in Indonesia (76).

The advantages of attributes reflects consumer products (personalized attributes advantages) China (64.86); Indonesia (75). While the indicators of inimitably advantages in China (64.86) and Indonesia (75). Indicator of attractiveness distinctive advantages in China (66.73) and Indonesia (74).

The overall average value of indicator orchestrated product advantages in China 66.33 (high categorized) and Indonesia 75.8 (high category).

Results index value analysis of orchestrated product advantages indicates that the level of orchestrated product advantages at Large Scales Enterprises in China (66.33) and Indonesia (75.75). Under the guidance range of criteria five boxes from the range of 10 to 100, the results of this study indicate that the level of orchestrated product advantages considered in high category in both countries.

In general, all indicators forming orchestrated product advantages considered in high category. The highest indicator is inimitable advantages China (68.14), while the highest indicator in Indonesia is prestigious value (78.17). Chinese manufactures agreed to prioritize products that are hard to duplicate if compared with the Indonesia manufactures more prioritize prestigious value, or in other words that companies in the PRC mostly agree when talking about orchestrated product advantages are hard to duplicate that should be accentuated, meanwhile in Indonesia, prestigious value should be highlighted.

The second highest indicator is aesthetical attributes advantages (China: 67.41 - Indonesia: 76), it means that attribute advantages with aesthetical has the equally important role in both. Firms agree to highlight products with aesthetical value to attain orchestrated product advantages. The third highest value is distinctive attractiveness (China; 66.73), superior product attributes (INA: 75). While the indicator in fourth position in China is personal attributes advantages (64.89) and in Indonesia distinctive attractiveness advantages and attributes advantages.

From five indicators forming the OPA, it can be concluded that in China, the most accentuated indicators when producing goods is attractiveness, while in Indonesia prestigious value should be accentuated. While the less paid attention is prestigious value in China (64.48) and inimitable advantage in Indonesia (74).

Calculation of green innovation capability index value is the average of indicator indices forming GIC, that is, index value of ability to support New Green Ideas in China 66.86 and Indonesia 63.98. Indicators of competence in conducting new experimental approaches in China: 65.43 and in Indonesia 70. Meanwhile, an indicator of environmental technology based in China 66, 10 and in Indonesia 71.

The overall average of indicator value of green innovation capabilities is 66.13 (China), 68.35 (Indonesia).

On the basis of analysis results, it showed that Green Innovation Capability, firms have index mean 66.13 (China) and 68.35 (Indonesia) in the span of five boxes. It has a meaning that the electronics industry has the high ability to innovate eco-friendly. All indicators are indicated as green innovation capability's indicator in accordance to the respondents which is shown by high value in the category above 64.01 from the range (10-100).

The ability to support new green ideas has the highest index value (China - 66.86), which means firms care the environment. In line with these indicators, mastery in environmental technology bases, has the second highest index value (China), but became the highest index value in Indonesia (71). This illustrates that in implementing the green new ideas are well supported by the company's ability to manage technology based on environmental friendly.

New experimental approach is the third highest index in China, it mean that, beside supporting new green ideas, mastery technology-based, the company also has competence to conduct green experiments. While in Indonesia, the capability to support new green ideas with index value 63.98 as well as the lowest compared with other indicators.

Index value of intensity of Technological Use Capability (TUC) is calculated from the average of the index indicator forming technological use capability, such as, the number of new technology development capability index (65.73); Mastery of technology trends (66.30); Adopting new technology in to the current process (65.36). The overall average value of the indicator is 65.80.

Analysis results on technological use capability demonstrated its index with a mean 65.68 (China) and 71.86 (Indonesia). In accordance the guidance range of criteria five boxes of the range of 10.00 to 100.00, it indicates that Technological Use Capability considered in the high category both in both countries.

Most manufacturers in the two countries showed a high commitment noticing from the index value. The highest index value is technology mastery trend 66.30 (China) and 75 (INA). This index means that manufacturers have the ability to understand, follow and implement technological trends.

Indicators of new technology development capability has value index of 65.73 (China) and 73.54 (Indonesia), which means that when a company has the ability to keep up with technology, then these companies should also have the ability in the development of new technologies. Further, the indicator of adopting new technology in to the current process 65.01 (China) and 67 (Indonesia), provides the fact that the firms capabilities, the new technology which is owned should be applied to current process.

Calculation of value index of Marketing Performance is the average of index value marketing performance's indicators, the index value of sales growth with index value of 70.43 (China); 70.42 (Indonesia), higher sales volume 70.39 in (China); and 69 in INA. Return on Assets indicator has a value index 70.03 in the PRC and 75 (Indonesia). While higher new customer level 69 (China and Indonesia). The overall average value of the indicator is 69.95 (China) and 70.88 (Indonesia)

The results of the analysis highlighted that marketing performance has mean 69, 95 (China) and 70.88 (Indonesia). Under the guidance range of criteria five boxes of the range of 10.00 to 100.00, the results of this study indicate that the marketing performance of manufacturing in the China and Indonesia considered high.

The highest indicator index value is higher sales growth (70.43) China, while, the same indicators as the second in Indonesia (73.15), this proves that firm's sales growth in the last 3 months considered high. Then followed by the higher sales volume (70.32) in China, in line with sales growth, the sales volume is also high. Sales growth index is the second highest in Indonesia (70.42). With the increase of sales volume growth and the return on assets and a higher level of new customer also increased. All indicators in the two countries showed the similar growth.

Levee's test in this study was conducted to determine whether there is an average difference between the two groups of samples that are not related in the research area of the China and Indonesia. Therefore, the value of $t < t_{\text{table}}$ (-8292 < 1.963) and P value ($0.000 < 0.05$), then H_0 is rejected, it means that there is no difference between the variants harmonized indicator function in the China and Indonesia. Statistics outputs demonstrated that in table Group average (mean) for the study area was 6.82 PRC and Indonesia 7, 30, means that the average variance harmonized indicator function in the Chins and Indonesia are not much different.

Common method biases occur when the data has common rater, the common measurement context, common item context or the character of the items the research itself. Before further analyzing the data it is strongly recommended to evaluate how a research data obtained so that the bias can be traced. Bias occurs when the data is used as a predictor and criterion variables were derived using the same source context and character of the same item of similar items. There is no common method bias in the independent variable of orchestrated product advantages in two countries where the research using a significance level of 0.05, with reference to the value of the column between variance components is above 0.05 there is no common method bias found.

Table 4
Testing the validity and reliability of research indicators

Variable	Research Indicators	<i>Factor Loading</i>		Cronbach's Alpha		Note
		RRC	INA	RRC	INA	
Green Innovation Capability	New Green Innovation	.774	.671	0.831	0.911	Valid and Reliable
	New Experiment Approach	.659	.721	0.830	0.911	
	Environmental Technology Based	.655	.693	0.830	0.910	
Product Differentiation	Harmonized Functions	.760	.786	0.830	0.913	Valid and Reliable
	Specific Designs	.752	.775	0.830	0.912	
	Distinctive Ornaments	.739	.713	0.827	0.913	
	Specific Benefits	.728	.534	0.828	0.912	
Technical Use Capability	Technology Development Capability	.766	.714	0.837	0.911	Valid and Reliable
	Mastery Technology Trends	.751	.712	0.836	0.911	
	New Technology to Current process	.661	.750	0.837	0.911	
Orchestrated Product Advantages	Distinctive Attractiveness	.808	.725	0.824	0.910	Valid and Reliable
	Inimitable Advantages	.743	.694	0.829	0.911	
	Personal Attractiveness	.775	.699	0.829	0.910	
	Aesthetical Attributes	.706	.666	0.824	0.911	
	Prestigious Value	.719	.611	0.826	0.911	
Marketing Performance	<i>Sales Grow</i>	.812	.794	0.812	0.908	Valid and Reliable
	<i>Sales Volume</i>	.794	.819	0.817	0.908	
	<i>ROA</i>	.816	.775	0.815	0.908	
	<i>New Customer Level</i>	.755	.784	0.820	0.910	

Source: Primary Data (2015)

Table 4 shows the results of testing the reliability and validity of indicators in China and Indonesia. It described that the indicators have a high loading factor. Hair et al., (2010) stated that the rule of thumb of loading factor value is ≥ 0.40 . The above table shows that the loading factor has a value above ≥ 0.40 in the two countries. Thus the indicators used in China and Indonesia are valid.

To measure the reliability of this research used Cronbach alpha coefficient. Hair et al., (2010) stated that the rule of thumb of Cronbach alpha was ≥ 0.70 . The test results showed that all indicators of reliability both in China and Indonesia had a Cronbach alpha value above 0.70. It can conclude that all the indicators used in the two countries are reliable.

Micronumerosity: Goldberger (1991) stated that micronumerosity occurs when a small number of observations. The number of observations must be greater than the independent variables. Further Goldberger (1991) claimed that micronumerosity as important as multicollinearity. In this study micronumerosity does not occur refers to logical connection relationship between indicators of the entire above zero (0).

Structural Equation Modeling Analysis: Full structural models (INA) of this research have Chi-Squared (χ^2) 176 679; probability of significance 0:02; CMIN / DF 1:25; GFI 0963; AGFI 0938; TLI 0847; 0873 CFI and RMSEA 0.025

Based on to the out-put, the model has goodness of fit indices (GoF) as follows. Chi-Squared (χ^2) relatively larger 13 (183.337) compared with χ^2 cut-off value / CoV (170.809) at (0:05; 142). While Chi-Squared (χ^2) 176 679 with χ^2 cut-off value / CoV (170.809) is greater in the 1034 (0:05; 142) with great significance of probability value (0:11) when compared to Cut of Value ($\alpha = 0.05$). Significance of probability that more than 0.05 causes the null hypothesis (H_0) is accepted. It can be concluded matrix variance / covariance matrix is equal to the sample variance / covariance population.

In addition to fulfilling $\text{CoV}\chi^2$ and significance probability, full structural models also meet the GoF, such as; GFI (0956), AGFI (0941) the requirements of the model fit (GFI and AGFI ≥ 0.90 CoV). TLI Index (0906) and CFI (0.922) can be accomplished in accordance with acceptable CoV. Index CMIN / DF full model of 1:29 in accordance with the requirements of ≤ 2.00 CoV and RMSEA full model is also in accordance with rule of thumb $0:03 \leq 0.08$ CoV. It can be concluded that the full model structural indicated fit

Among goodness of fit such as; Chi-Squared, Significance Probability, CMIN / DF, GFI, AGFI, TLI, CFI, RMSEA and HOELTRE cN. The value of each index is generated from the data analysis of this study and its CoV as a reference will be discussed as follows: Chi-Squared (χ^2), is fundamentally fit indices which sensitive to the number of samples. The research model is said to be good when χ^2 is low. The lower χ^2 model implies is better. So it can be said that the research model that is being analyzed in accordance with empirical data. Results of the data with Amos v.18 showed χ^2 is 170.809. Cut-off value / CoV of Chi-Squared on the degree of significance of 0.05 and is df 142 183 337 (China) and 176 679 (Indonesia). In other words that the full model χ^2 slightly higher than the value of CoV. But still we can conclude there is no difference between the matrix of variance / covariance matrix samples with variance / covariance population. In other words there is no significant difference between the models being tested with saturated models.

Probability is a measure of significance in determining whether H_0 (null hypothesis) can be excluded (rejected). In the analysis with structural equation approach it is expected H_0 cannot be rejected; it is different with hypothesis testing in general (Ghozali, 2011b). A good model should not reject H_0 . Thus the significance of the expected probability is greater than 0:05 or 0:10 so that α can not reject H_0 . In other words, statistically insignificant. Statistical output showed that probability of significance for 0:11 (China) and 0:03 (Indonesia). While the CoV for the probability of significance was ≥ 0.05 . Thus it can be concluded that insufficient evidence to negate H_0 , which means that there is no difference between the matrix of variance / covariance sample with matrix varian / covariance population.

CMIN/DF is one size fit parsimonious indices. This index when calculated manually by dividing the value of χ^2 models with free degree models. Chi-squared full model of this study is 183.337 (China) and 176 679 (Indonesia)

with 142 degree free (China and Indonesia), so CMIN / DF research 1:29 (China) and 1,451 (Indonesia). Comparative value of CMIN / DF is $\text{CoV} \leq 2.0$. It can be concluded that this research model fit in accordance with the recommended CoV less than or equal to 2.0. GFI, goodness of Fit Index is an index calculated from the fit model residual quadratic model that predicted compared with actual data. GFI index is getting closer to 1 indicates an index model is fit. GFI in the study is 0. 956 (China) and 0.979 (Indonesia) which is still above CoV, but it is still categorized fit. It can be concluded that the model meets a good fit indices.

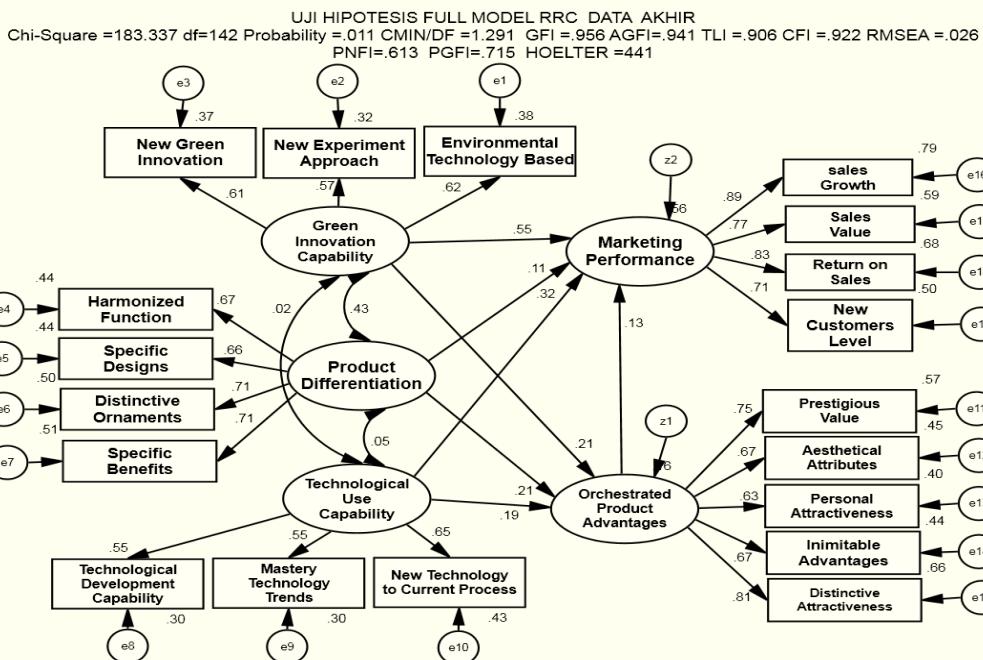
AGFI is and adjusted GFI which is modified from GFI. AGFI is GFI that adjusted by the ratio of degree of freedom of proposed model by the degree of freedom of the null model (single construct models with all indicators measuring the construct). The recommended value is $\text{AGFI} \geq 0.90$. AGFI in this study is 0.941 (China) and 0.964 (Indonesia), so that the model can be concluded fit.

TLI, Tucker Lewis Index is one index that compares the suitability of the model incremental models tested with the null model (based line model). TLI suitability index is not influenced by the size of the sample. The threshold values recommended TLI is ≥ 0.95 . TLI models are increasingly approaching 1.0 shows the model is fit. TLI for current research is 0.906 (China) and 0.895 (Indonesia), so the model is fit for both countries.

CFI is also an index that compares the suitability of incremental models tested with null models. CFI index as well as CMIN / DF is good in measuring the level of acceptance of the model, because its value is not affected by sample size. The CoV is recommended $\text{CFI} \geq 0.95$ in this research, the CFI value of 0.922 (China) and 0.92 (Indonesia), so it can be concluded that the model meets the criteria for a good fit or model.

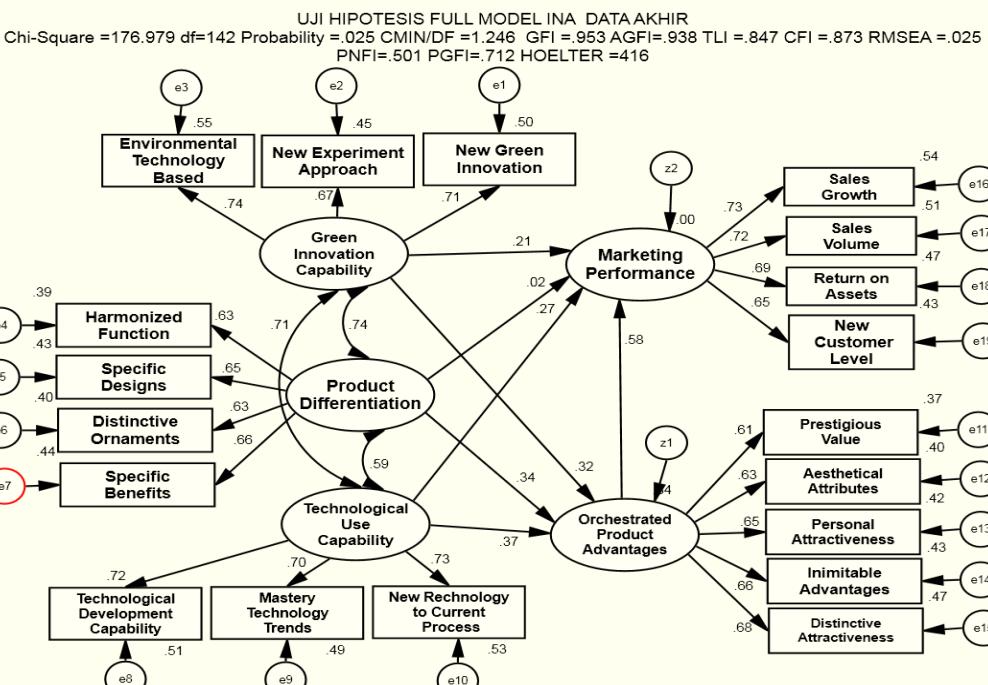
RMSEA, The Root Mean Square Error Approximation is an index that measures the fit model that substitute's chi-squared statistic in the large number of samples. RMSEA index values ≤ 0.08 indicates good to accept good of fitness model. The analysis results showed that RMSEA is 0.026 (China) and 0.03 (Indonesia) so that the models are fit.

Fig. 5
Structural Full Model of China



Source: Output Amos (2015)

Fig. 6
Structural Full Model of Indonesia



Source: Output Amos (2015)

Table 5
Goodness of Fit Model baseline Composite Model of Goodness of Fit
Baseline Model CMIN In China and Indonesia

Goodness of Fit Baseline Model CMIN					
	NPAR	CMIN	DF	P	CMIN/DF
Unconstrained	144	559.061	426	.000	1.312
Measurement weights	116	577.054	454	.000	1.271
Structural weights	102	639.623	468	.000	1.367
Structural covariance	90	798.169	480	.000	1.663
Structural residuals	86	1071.526	484	.000	2.214
Measurement residuals	48	1201.679	522	.000	2.302
Saturated model	570	.000	0		
Independence model	57	2273.174	513	.000	4.431
Zero model	0	15931.500	570	.000	27.950
Goodness of Fit Baseline Comparisons					
Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Unconstrained	.754	.704	.928	.909	.924
Measurement weights	.746	.713	.932	.921	.930
Structural weights	.719	.692	.905	.893	.902
Structural covariance	.649	.625	.823	.807	.819
Structural residuals	.529	.500	.672	.646	.666
Measurement residuals	.471	.480	.612	.621	.614
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000
Goodness of Fit Baseline Model RMSEA					
Model	RMSEA		LO 90	HI 90	PCLOSE
Unconstrained	.014		.010	.017	1.000
Measurement weights	.013		.009	.016	1.000
Structural weights	.015		.012	.018	1.000
Structural covariance	.020		.017	.022	1.000
Structural residuals	.027		.025	.029	1.000
Measurement residuals	.028		.026	.030	1.000
Independence model	.045		.043	.047	1.000

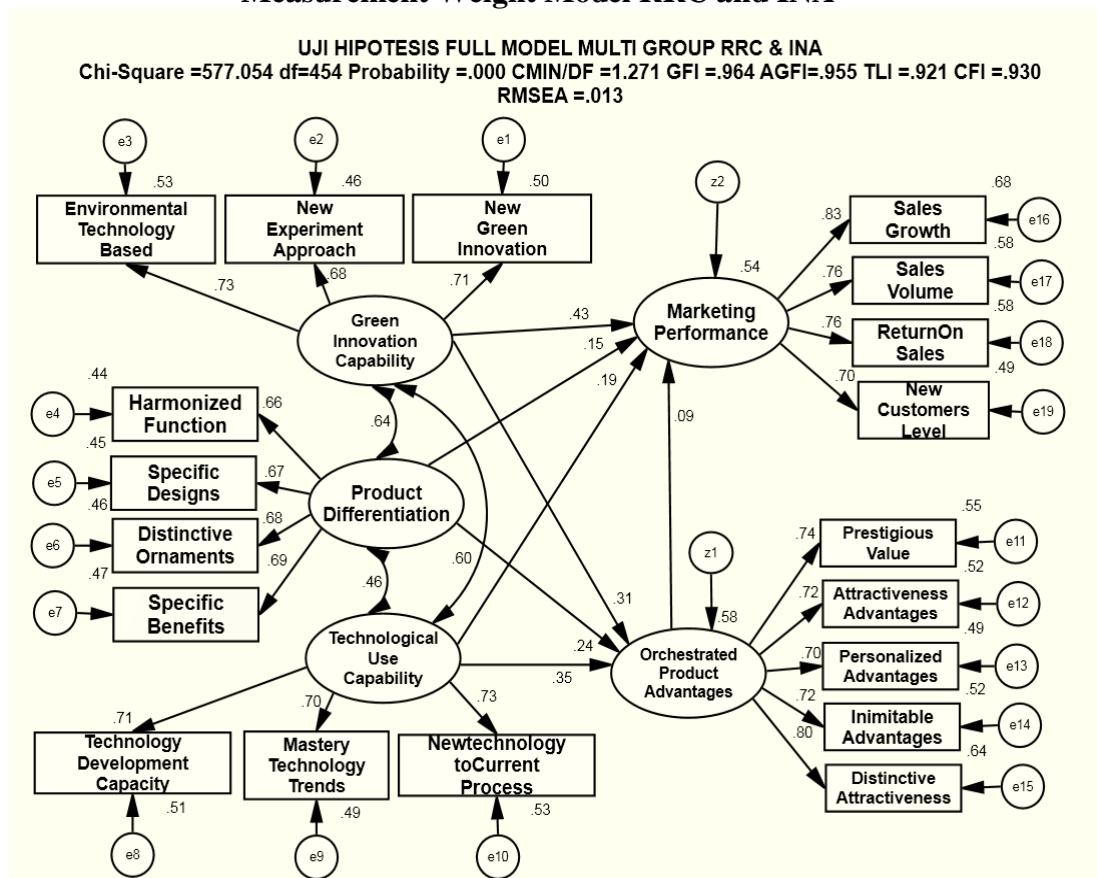
Source: Primary Data (2015)

The above table shows that the China and Indonesia composite models are fit. Though they are analyzed in to two groups, GoF models produced merely one model for the two groups. Chi-Kwadrat, CFI and RMSEA Value are aligned with rule of thumb. It could be meant that by involving two countries in one model, the data support the highest GoF.

The conclusion of the analysis of multi-group is that the grouped data strongly support GoF models, while the best model obtained is Measurement

models, as seen in the output statistics with some consideration, the smallest Chi square is 576, 259 (Chinv. df) with a probability level of 0.05, GFI and AGFI were fit, as well as the RMSE 0.028.

Fig 7
Measurement Weight Model RRC and INA



Source: Output Amos (2015)

Uji Statistik Goodness-off Fit Multi-Group Invariance

By establishing a baseline model for Indonesia and People Republict of China with different samples, ie by equating (constraints) loading factor, covariance, variance and coefficient regression lines (Path). Then analyze models without constraints. The value of chi-square and other fit index and comparing the baseline model with a model of the real and the arithmetic difference chi-square value and fir other index, if significantly different from the model it can be concluded that the two groups differed

Table 6
**Statistical Test Goodness-Fit - Multigroup invariance Between
 RRC & Indonesia**
Product Differentiation – Marketing Performance

Model		X ²	df	ΔX ²	Δdf	Sig
1	Unconstraint Baseline	577.054	1.271	-	-	-
2	Equal Measurement Weight	577.054	1.271	0	0	P < 0,05
3	Equal Measurement Intercept	639.623	1.367	62.569	96	P < 0,01
4	Equal Structural Covariance	798.169	1.663	158.546	296	P < 0,10
5	Equal Structural Residual	1.071.526	2.214	273.357	551	P < 0,05
6	Equal Measurement Residual	1.201.679	2.302	130.153	88	P < 0,05

Source: Output Amos – Multigroup Analysis, 2016

From the above table it is known that the Measurement Weight, Measurement Residual, Structural Residual between the two countries Indonesia and China there is a difference with a significance level of 5% and Measurement Intercept different with a significance level of 1% and Structural Covariance different with a significance level of 10% between the differentiations of products with performance marketing.

Structural Analysis of Direct and Indirect Relationship among Variables.

The coefficient of correlation among variables is considered as the measurement impact of antecedents to consequences. The effect of a variable to another variable can be directly and can also be multiple steps through the intermediary of one or more variables. From the direct and indirect analysis between variables will be noticing the effect of path relationship.

Relationships between variables can form unique pathways based on the robust theoretical justification. The value of each relationship between variables can be determined on the basis of the regression coefficients results with Amos.

Table 7
Summary of Godness of Fit Index

Index Path Analysis China			
No	Path	Path effect	Total value
1	Product Differentiation → Marketing Performance	0.107	0.107
2	Product Differentiation → Orchestrated Product Advantages) → Marketing Performance	0.211 x 0.13	0.0274
3	Green Innovation Capability → Orchestrated Product Advantages → Marketing Performance	0,21 X 0, 56	0,12
4	Technological Use Capability → Orchestrated Product Advantages → Marketing Performance	0,19 X 0,32	0,1

Index Path Analysis Indonesia			
No	Path	Path effect	Total value
1	Product Differentiation → Marketing Performance	0.019	0.019
2	Product Differentiation → Orchestrated Product Advantages) → Marketing Performance	0.344 X 0.577	0.198
3	Green Innovation Capability → Orchestrated Product Advantages → Marketing Performance	0,32 X 0,21	0,07
4	Technological Use Capability → Orchestrated Product Advantages → Marketing Performance	0,37 X 0,27	0,1

Source: Data Primer (2015)

Based on the full model research, there are two path of product differentiation effect on marketing performance. Firstly, a direct path from the product differentiation to the marketing performance 0.011 (China) and 0.019 (Indonesia). The second is indirect pathways of product differentiation on marketing performance. The first indirect path is through the mediating variable orchestrated Product Advantages (OPA). The table also shows the value of indirect relations through mediation OPA is 0.027 (China) and 0, 198 (Indonesia). If the relationship with the OPA as mediating 0.027 compared to the total of direct relationship of product differentiation affects the marketing performance with 0.107, it is could be meant that the effect of product differentiation on marketing performance could be increasing through orchestrated product advantages.

Having tested the GoF as summarized below from the model which has been categorized fit, the hypothesis testing is further could be done. Hypothesis testing is the answer of research problems based on regression weight results with Amos, in order to hypothesis testing is justified.

Table 8
Summarize of Research Hypotheses Testing

No	Hipotesis	RRC	INA
1	The higher the degree of product differentiation compared to competitors, the higher the degree of marketing performance.	Not Supported	Not Supported
2	The higher the degree of product differentiation compared to competitors, the higher the degree of orchestrated product advantages	Supported	Supported
3	The higher the degree of green innovation capability, The higher the degree of orchestrated product advantages	Supported	Supported
4	The higher the degree of green innovation capability, The higher the degree of marketing performance	Supported	Supported

No	Hipotesis	RRC	INA
5	The higher the degree of technological use capability, The higher the degree of orchestrated product advantages	Supported	Supported
6	The higher the degree of technological use capability, The higher the degree of marketing performance	Supported	Supported
7	The higher the degree of orchestrated product advantages, The higher the degree of marketing performance	Supported	Supported

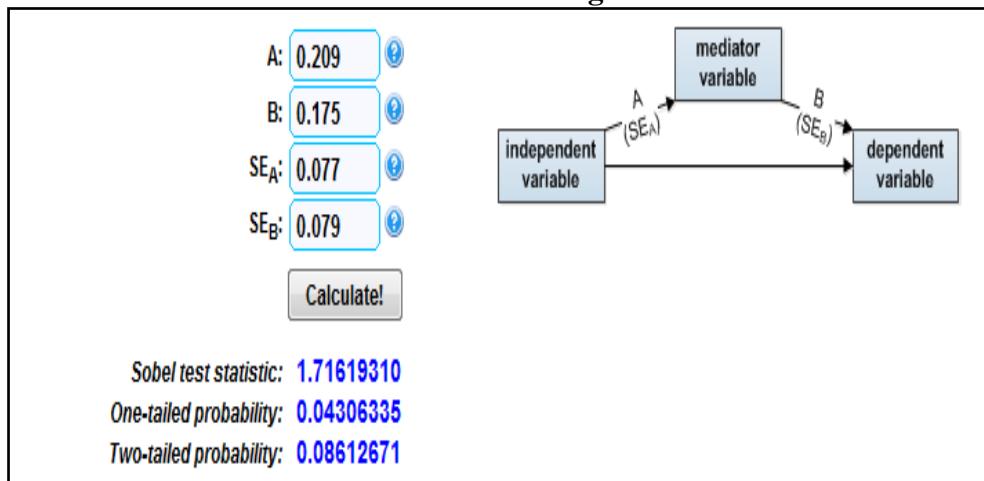
Role Originality Assessment

Orchestrated Product Advantages (OPA) is a novelty proposed in this dissertation, to fill the research gap between the impacts of Product Differentiation on Marketing Performance. OPA: Portfolio of products superiority characterized with attractive advantages, prestigious values, aesthetical attributes, personalized attractiveness and inimitable advantages. These superiorities have the potential to improve marketing performance. Does this novelty (OPA) play a mediating role between product differentiation and marketing performance?

Statistical data analysis demonstrated that a direct relationship PD- MP has a total impact for 0.029 (China) and 0.360 (Indonesia), while the PD relationship - MP-mediated OPA has influence value of 0.0175 (China) and 0.662 (Indonesia). It showed that the greater impact if the relationship is mediated. Thus, proposed novelty plays its role as mediating variable between product differentiation and marketing performance.

Fig. 8

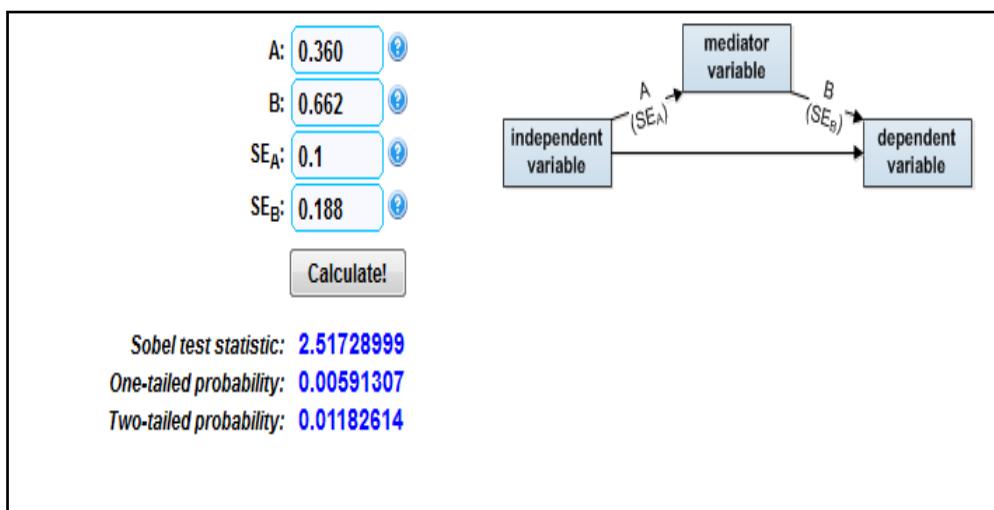
Sobel Test the mediating effect of Orchestrated Product Advantages between Product Differentiation and Marketing Performance in China



Source: Output Amos and Online Calculator Sobel (2015)

Based on Sobel test calculations presented, it can be concluded that the mediating role orchestrated Product Advantages is proven as the calculation result is smaller Z value 1.72 (0.26) compared with cut off value $\geq 0.086 \leq 1.98$ with significance level 0:05 for research conducted in China.

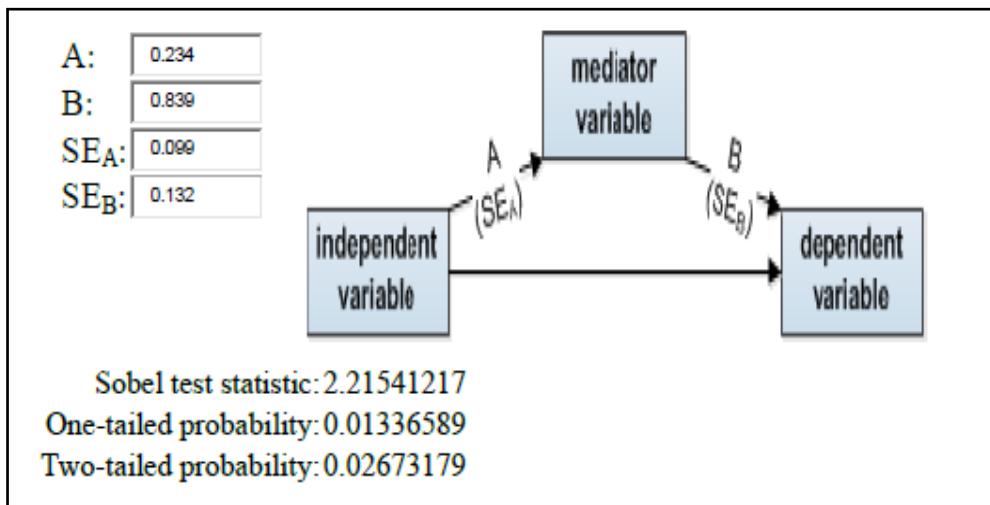
Fig. 9
Sobel Test the mediating effect of Orchestrated Product Advantages between Product Differentiation and Marketing Performance INA



Source: Output Amos and Online Calculator Sobel (2015)

Fig of sobel test is presented above shows the value Z (Indonesia) $2.52 \geq 1.98$ with the significant level $0.01 \leq 0.05$. Thus OPA as proposed novelty shows its role as a mediating, which means that the OPA will increase the MP if there is the ability to anticipate integrated business especially in Indonesia.

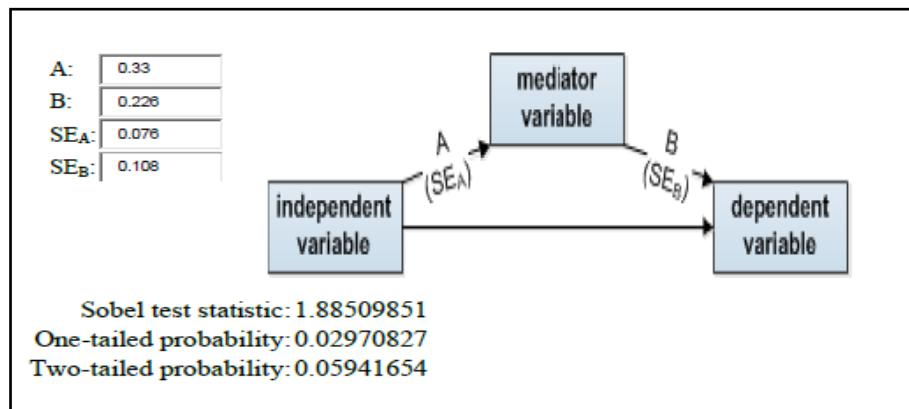
Fig. 10
**Sobel Test the mediating effect of Green Innovation Capability
as the Antecedents of Orchestrated Product Advantages
and Marketing Performance in China**



Source: Output Amos and Online Calculator Sobel (2015)

Figure above examine the role of antecedents of Green Innovation Capability to orchestrated Product Advantages and Marketing Performance. It shows the value Z (INA) $2.22 > 1.98$ significance level ≤ 0.05 . Thus Green Innovation Capability considered an important role as an antecedent to the increase orchestrated Product Advantages and Marketing Performance. This means that the OPA will increase the MP when supported by the Green Innovation Capability especially in China.

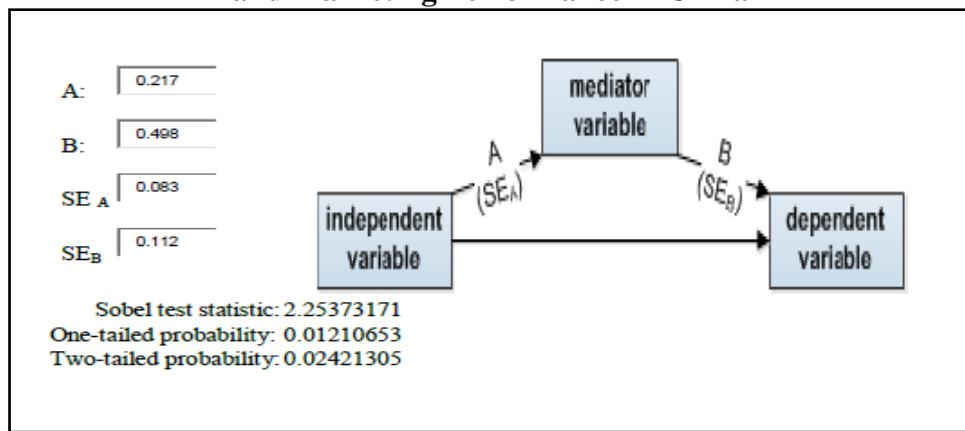
Fig. 11
Sobel Test the mediating effect of Green Innovation Capability as the Antecedents of Orchestrated Product Advantages and Marketing Performance in INA



Source: Output Amos and Online Calculator Sobel (2015)

Sobel test results presented above examine the role of Green Innovation Capability as the antecedents for orchestrated Product Advantages and Marketing Performance shows the value Z (INA) 1.88 (less 0.1) \geq 1.98 with significant level to ≤ 0.05 0.03. Thus Green Innovation Capability is considered as important role as an antecedent to the increase orchestrated Product Advantages and Marketing Performance. This means that the orchestrated Product Advantages will increase the marketing performance when supported by the Green Innovation Capability particularly in Indonesia.

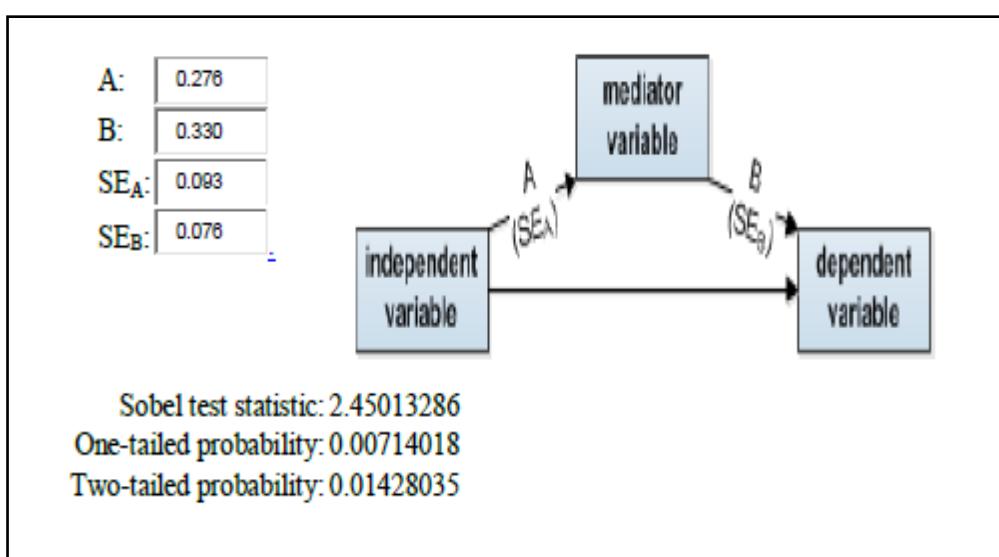
Fig. 12
Sobel Test the mediating effect of *Technological Use Capability* as the Antecedents of Orchestrated Product Advantages and Marketing Performance in China



Source: Output Amos and Online Calculator Sobel (2015)

Sobel test presented above examined technological use capability as the antecedents of orchestrated product advantages and Marketing Performance shows the value Z (Indonesia) $2:25$ $0:02 \geq 1.98$ significance level $\leq 0:05$. Thus technological use capability plays an important role as the antecedent to increase orchestrated product advantages and marketing performance. This means that the orchestrated product advantages will increase the marketing performance when supported by the technological use capability especially in China.

Fig. 12
Sobel Test the mediating effect of Technological Use Capability as the Antecedents of Orchestrated Product Advantages and Marketing Performance in INA



Source: Output Amos and Online Calculator Sobel

Sobel test presented above examined the role of technological use capability as Antecedents of orchestrated product advantages and Marketing Performance shows the value Z (INA) $2:45 \geq 1.98$ with a significance of $0.014 \leq 0:05$. Thus technological use capability a very important role as an antecedent to the increase orchestrated product advantages and marketing performance. This means that the orchestrated product advantages will increase the marketing performance when supported by the technological use capability especially in Indonesia.

From the results of data analysis in China and Indonesia summarized some findings, direct and indirect causality relationship among variables by using the model equations by AMOS software, as shown below:

**Table:9
Summary of Finding China**

No	Causalities	Koefisien Regresi	t-statistic	Note.
1	Orchestrated Product Advantages => Product Differentiation	0,210	2,713**	Sig
2	Keunggulan Produk Terorkestrasi Orchestrated Product Advantages => Technological Use Capability	0,187	2,635**	Sig
3	Orchestrated Product Advantage => Green Innovation Capability	0,207	2,360**	Sig
4	Marketing Performance => Product Differentiation	0,107	1,685***	N. Sig
5	Marketing Performance => Kapabilitas Technological Use Capability	0,316	4,445*	Sig
6	Marketing Performance=> Orchestrated Product Advantages	0,129	2,224**	Sig
7	Marketing Performance => Green Innovation Capability	0,548	6,374*	Sig
8	Marketing Performance => Orchestrated Product Advantages => Product Differentiation	0,027	1,7***	Sig
9	Marketing Performance=> Orchestrated Product Advantages => Green Innovation Capability	0,118	2,22**	Sig
10	Marketing Performance=> Orchestrated Product Advantages => Technological Use Capability	0,059	2,25**	Sig

Source data primer, 2015

Note:

*Sig. $p = 0, 01$

**Sig. $p = 0, 05$

***Sig. $p = 0, 10$

Causality testing between variables using structural equation modeling with AMOS software shows important findings in comparative studies conducted in the China and Indonesia. Table above shows that the highest causality and the direct effect of green innovation capability on marketing performance at $p = 0.01$ with a regression coefficient of 0.548 and the value of t-statistic 6.374. This means that each company increases their green innovation capabilities it could lead to higher marketing performance. To summarize, when a company has the capability to implement green innovation then it is believed that the marketing performance will be higher.

Next findings of this study is technological use capability shows strong effect on marketing performance, in other words the technological use capability is one of strong antecedents to improve marketing performance. Technological use capability significantly affect marketing performance at $p = 0.01$, with a

regression coefficient of 0.316 and 4.445 statistical value. This means that, firms with capabilities and understanding technology will leverage production and marketing performance.

Product differentiation showed a significant impact as the antecedent of orchestrated product advantages with significant level at $p = 0.05$, t-statistic 2.713 and a regression coefficient of 0.210. Orchestrated product advantages can be achieved with the support of product differentiation.

Technological use capability is one determinant factor in improving orchestrated product advantages. It significant at $p = 0.05$ with a t-statistic regression coefficient of 2.635 and 0.187. This means that technological use capability owned by firms can improve orchestrated product advantages.

Green innovation capability becomes antecedent of orchestrated product advantages. Significant at $p = 0.05$ with a t-statistic regression coefficient of 2.360 and 0.207. Green innovation capabilities of the company can increase orchestrated product advantages. It also proves that when technological innovation or green innovation will produce a green product which in this study introduces orchestrated product advantages.

Orchestrated product advantages as a new concept introduced in this study demonstrated a significant impact on marketing performance. Results showed a significant at a level 0.05, with a t-statistic regression koefesin 2.224 and 0.129. With these significant impacts, it provides evidence that orchestrated product advantages can improve marketing performance.

Product differentiation is not always indicated significantly on marketing performance. This was proven in this study that impact product differentiation did not show a significant impact on the marketing performance with significance at $p = 0.010$, t-statistic regression coefficient 1.685 and 0.107.

The results of indirect relationship between product differentiation, orchestrated product advantages and marketing performance on research conducted in China also showed a strong influence as mediation significantly at $p = 0.010$, t-statistic of 1.7 and a regression coefficient of 0.027. It proves that orchestrated product advantages as mediating variables can bridge the research gap between product differentiations on marketing performance, in order to improve marketing performance, it is recommended with mediating, it covers that the indirect relationship between product differentiation and marketing performance is stronger than the direct relationship.

The following table described the results in Indonesia

Table: 10
Summarize the Finding in Indonesia

No	Causalities	Koefisien Regression	t-statistic	Note
1	Orchestrated Product Advantages = > Product Differentiation	0,344	3,599*	Sig
2	Orchestrated Product Advantages = > Technological Use Capability	0,577	4,366*	Sig
3	Orchestrated Product Advantage = > Green Innovation Capability	0,321	2,966**	Sig
4	Marketing Performance = > Product Differentiation	0,218	0,206**	N. Sig
5	Marketing Performance = > Technological Use Capability	0,367	2,952**	Sig
6	Marketing Performance= > Orchestrated Product Advantages	0,478	3,525*	Sig
7	Marketing Performance = > Green Innovation Capability	0,390	2,085**	Sig
8	Marketing Performance = > Orchestrated Product Advantages = > Product Differentiation	0,199	2,52**	Sig
9	Marketing Performance = > Orchestrated Product Advantages = > Green Innovation Capability	0,125	1,89***	Sig
10	Marketing Performance = > Orchestrated Product Advantages = > Technological Use Capability	0,175	2,45**	Sig

Source: primary data (2015)

Note:

*Sig. $p = 0, 01$

**Sig. $p = 0, 05$

***Sig. $p = 0, 10$

In study conducted in Indonesia, the largest regression coefficient could be seen at the impact of technological use capability on orchestrated product advantages. A significant at $p = 0.01$ with a regression coefficient t-statistic 0.577 and 4.366. This means that the capability use technology owned by manufactures can improve orchestrated product advantages. With the technology owned by company, productions will inferior competitors

Orchestrated product advantages as the new concept introduced in this study has a significant impact on the marketing performance. Results showed a significant statistic at 0.01, with a t-statistic 3.525 and regression koefesin 0, 478. With these significant impacts, it provides evidence that orchestrated product advantages can improve marketing performance.

Statistics analysis results showed the impact of green innovation capability on marketing performance, with significant at $p = 0.05$, t-statistic regression coefficient 2.085 and 0.390. Technological use capability indicates strong antecedents on marketing performance. Technological use capability significantly affect marketing performance at $p = 0.05$, with a regression coefficient of 0.367 and 2.952 statistical value.

Causality test result showed that product differentiation significantly affect orchestrated product advantages at $p = 0.01$ with a t-statistic 3.599 with a regression coefficient 0.344. Orchestrated product advantages can be achieved with a product differentiation.

Green innovation capability becomes antecedent of orchestrated product advantages. It significant at $p = 0.05$ with a t-statistic regression coefficient of 2.966 and 0.321. Green innovation capabilities of the company can increase orchestrated product advantages.

As finding in China, product differentiation did not show a significant impact on improving marketing performance. It provides evident that the impact of product differentiation showed insignificant value on marketing performance significance at $p = 0.010$, t-statistic regression coefficient 1.685 and 0.107.

The statistical results showed an indirect relationship between product differentiation, orchestrated product advantages and marketing performance research conducted in Indonesia also shows a strong influence as mediation by significant at $p = 0.010$, t-statistic of 2.52 and a regression coefficient of 0.19.

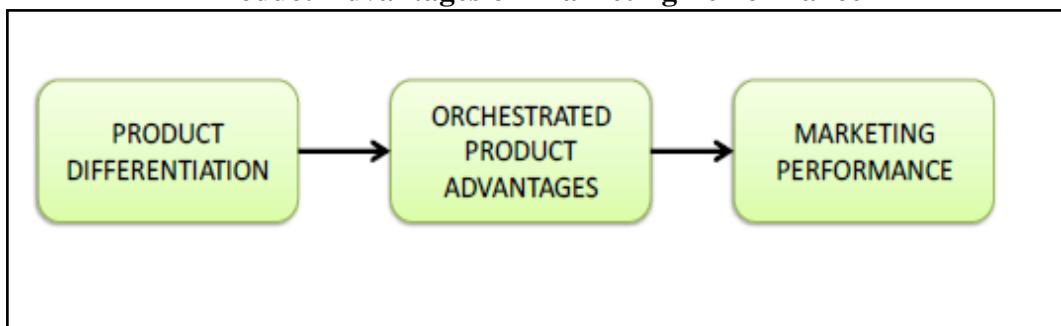
Conclusion on Remarks

In accordance with the formulation of research problems of how to manage product differentiation in order to improve marketing performance in two countries, Indonesia and China. Based on the results of statistical hypothesis testing and analysis of the direct and indirect relationships between variables, there are three (3) alternate strategies in managing product differentiation on manufactures which are designed to improve company performance. Three alternatives to the strategy, described as follows:

First Alternative Strategy

Many studies concern on product differentiation in order to improve marketing performance and demonstrated inconsistencies findings. Companies conducted differentiation by innovation showed a significant impact directly in improving marketing performance. Current finding, product differentiation did not show a significant impact on marketing performance and support insignificant results of previous studies. Direct relationship of product differentiation and marketing performance is not supported by empirical evidence for both countries. This to propose alternative of first strategy to introduce a mediating variables, orchestrated product advantages, as seen as the following figure.

Fig. 13
The First Alternative Strategy
The Relationship of Product Differentiation mediating with Orchestrated Product Advantages on Marketing Performance



Source: Dissertation findings (2015)

The Second Alternative Strategy

The second alternative strategies that are likely to improve marketing performance are to have the ability to master and have a green innovation capability. The company's green innovation capabilities can be obtained from some of the indicators proposed in this study as new green innovation, new experimental approach as well as technology-based environment.

Fig. 14
The Second Alternative Strategy
The Relationship of Green Innovation Capability mediating with Orchestrated Product Advantages on Marketing Performance



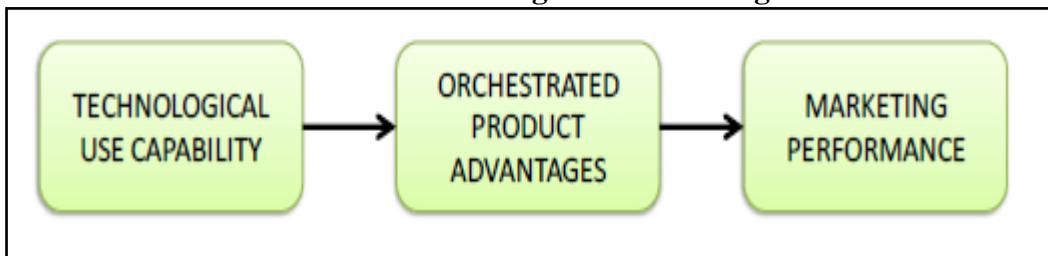
Source: Dissertation findings (2015)

The Third Alternative Strategy

Higher marketing performance will sustain its competitive international market and can maintain a competitive advantage in the long term. Thus the company should have the green innovation capability such as described in the previous strategic alternatives as well as on the three proposed alternative strategy of mastering and technology use capability.

Some indicators were introduced in this study support technological use capability such as the acquisition of technological development capacity, mastering new technology trends and the application of new technologies into current production. Based on the results of statistical tests and Sobel test, technological use capability as key factor to orchestrated product advantages and marketing performance.

Fig. 15
The Third Alternative Strategy
**The Relationship of Technological Use Capability mediating with
Orchestrated Product Advantages on Marketing Performance**



Source: Dissertation findings (2015)

Theoretical Implication

Based on the conclusion of the study, both conclusions on hypothesis and conclusions on research problems as discussed earlier, there are several theoretical contributions of this dissertation for both Indonesia and China.

The results of research in the two countries provide information that achieving and maintaining orchestrated product advantages, product differentiation plays role as a significant determinant factor. Some indicators supporting product differentiation in this study contribute to achieving orchestrated product advantages. The harmonized functions, specific design, distinguished ornaments and specific benefits contribute in increasing prestigious value, attractiveness advantages, personalized advantages and inimitable advantages which is hard to substitute in short term and distinguished attractiveness from competitors.

Firm's capability in green innovation affects the creation of product advantages when compared with competitors. New green innovation, new green experiments and environmental technology based highly contributed in supporting orchestrated product advantages. The existence of green sophisticated technology affect cost reduction and also green management practices. Research finding in China and Indonesia showed that green Innovation capability is determinant factors to improve orchestrated product advantages.

From the various results of previous studies on the effect of green innovation capabilities on marketing performance marketing had a significant results and contribute in improving marketing performance. The direct effect of green innovation capability is highly contributed on marketing performance. This finding supports the previous finding.

To support in creating product advantages, it should be supported by advanced technology. The capability of firm in mastering and owning new technology will greatly affect the orchestrated product advantages. The ability of mastering technology requires huge investment. Green modern technology surely will create green products, which will ultimately improve the marketing performance in both the short and long term. In the study conducted in China and Indonesia, the mastery of technology will save the company. One of the programs

in technology transfer is requires substantial funds and resources. Technology development capacity, master technology trend and applying new technologies in current production provide major contribution to improving the marketing performance both in China and Indonesia.

Managerial implications

The dissertation findings showed the benefits of the orchestrated product advantages as a novelty proposed to fill the gap of relationship between product differentiation and marketing performance. It also justified and supported by empirical research data in China and Indonesia. Based on the results of research in the two countries, the results of this dissertation have widespread implications in terms of practices or management activities which considered as green management practices, green performances and green strategic,

First, performance improvement can be achieved by the business marketing with the ability in technological development. Follow and mastery the development trend of technology and applying new technologies in to current.

Second, to improve the high marketing performance requires the ability to create green innovations, among other things, new ideas green innovation, new green experiments in finding new formats that environmentally friendly and low cost as well as adopting the whole environmental technology based

Third, when a company focused to emphasize on product differentiation, causing inconsistency results in various countries, current research, product differentiation as antecedents in the creation of orchestrated product advantages by introducing several factors in supporting the product advantages. Products should have prestigious value, attractiveness advantages, personalized advantages, and hard to imitate as the character of the products are distinguished from competitors' products

Limitations to Research

Referring to the statistical tests results of developed model, so there are limitations to the study that became the basis for future research. Some limitations to current study are as follows:

1. Limitations on testing Good of Fitness: Correlations between variables were constructed in the model of empirical research still shows some indices which are still marginal, but to the criterion of absolute (Chi-square, P-Value, RMSE) have demonstrated the goodness of fit, as well as in the category of incremental (GFI, AGFI, CFI and NFI) also indicates the category of fit, however there are some indexes that are still marginalized in both Indonesia and China.
2. Limitations on the results of statistical tests. Level squared multiple correlation (or R² in SPSS) indicates the ability to explain the variables is still relatively low, which means that there are other variables that have the potential to be a determinant in addition to the variables in the model built, it is shown that: First, the value of squared multiple correlation of orchestrated product advantages on a study conducted in China was 0.16, which means that

the variation in the variables orchestrated product advantages is able to be explained by the variable product differentiation by 16%, while the rest 84% explained by other variables outside the model, so that there is still potential to increase the variables determinant factors for the orchestrated product advantages. Orchestrated product advantages is a new concept developed in this study to bridge the gap research between product differentiation and marketing performance using five indicators of prestigious value, attractiveness advantages, personalized advantages, inimitable advantages and distinctive attractiveness, where among the five indicators there are loading factors that is still relatively small from 0.600 to 0.800, thus there is still potential to enrich the indicators and characteristics of the new concept was developed.

3. While the research conducted in Indonesia, the squared multiple correlation of orchestrated product advantages 0.84, which means that the variation in the variables orchestrated product advantages is able to be explained by the variable product differentiation by 84%, while the rest of 16% explained by other variables outside the model, however, there still is the potential to add another variable as a determinant for the orchestrated product advantages. Orchestrated product advantages is a new concept developed in this study to bridge the gap research between PD and MP using five indicators of prestigious value, attractiveness advantages, personalized advantages, inimitable advantages and distinctive attractiveness.
4. The value of squared multiple correlation is 0.43, this means that the variation in green innovation capability could be explained by orchestrated product advantages variable by 43%, while the remaining 57% explained by other factors outside the model, so the need to add another variable as a determinant green innovation capability.
5. The value of the technological use capability squared multiple correlation is 0.48, which means that the variation in the technological use capability able to be explained by the orchestrated product advantages by 48%, while the remaining 52% is explained by other variables outside the model, so there is the potential to add another variable as a determinant technological use capability.
6. Questionnaires distribution were assisted by some of the enumerators in the two countries could lead to bias even though before future analysis levee test, common method bias and micronumerosity have been conducted to determine whether there are differences in perception between the two countries.
7. Although Chinese native speaker provided the aids in translating the questionnaire in English into Chinese, so it took times to re-check the open questions' answers of respondents. So it becomes a crucial challenge especially in China.
8. Large Scale Enterprises as the object of this study, though since the beginning has been defined as manufacturer produce electronics and home appliances, it is realized that the technologies used are vary.
9. Another limitation in terms of capital or sales performance information provided is somehow insufficient.

Future Research Agenda

Referring to the limitations of the study described above that the squared multiple correlation is relatively small which is less than 50%, so the agenda for future research can be done by adding variables determinant, making it possible to generate value squared multiple correlation is greater. It appears that the squared multiple correlation of the lowest in this study is the variable product differentiation, which is only 16%, so that future research needs to add other variables such as Product differentiation based on CSR, Green Corporate Image, green product uniqueness, and most importantly the Government Regulation as control variables.