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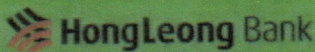International Islamic University Malaysia

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RELIGIO-CENTRIC FASHION ADVANTAGE ON MARKETING PERFORMANCE: THE ROLE OF INNOVATIVENESS AND CUSTOMER RESPONSIVENESS

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Abstract

This study aims to investigate and examine the role of religio-centric fashion advantage in mediating the relationship of innovativeness and customers responsiveness with marketing performance in religious-based fashion industry. Structural equation modelling is used to test the research hypotheses on data basis of Islamic small fashion business in Indonesia. The data is taken from the responses of 335 respondents; questionnaire is distributed to the owner and manager of Islamic small fashion business in Central Java-Indonesia.

The finding shows that innovativeness and customer responsiveness can increase marketing performance through religio-centric market advantage. Religio-centric fashion advantage arises from innovation capability and customers respond, and enables small businesses to increase marketing performance.By examining various literatures on *resource-based view*, *market orientation*, *small business performance*, *entrepreneurship,* and *customer religiosity,* this research offers a unique analysis about innovativeness and customers responsiveness as well as their impact on marketing performance in religious-based industry that receives less attention from researchers. Conceptual discussion and empirical result widen the previous research about innovation culture and customers orientation on small business become more specifically based on religion.

Key words *Innovativeness, Customers Responsiveness, Religio-centric Fashion Advantage, Marketing Performance*

Introduction

Fashion industry is an industry which gives overview about product or market with the element of style that tends to persist in short time (Christopher*, et al*, 2004). Consumers in fashion industry have awareness of fashion that is likely to be stable, fast-changing and unpredictable, so competition in the industry has shifted from price and quality based competition into competition that focuses on the element of time. In fashion market, it is very easy to copy a design, so the production only lasts for successful items (Barnes and Lea-Greenwood, 2006). In such market scope, there are three forms of resources capability that determine business performance, such as adaptive capability, absorptive capability, and innovative capability). Adaptive capability is the company's ability to identify and exploit developing market opportunities. This capability involves the company's ability to adapt to market-product scope for the purpose of responding to external opportunities; scanning market, monitoring customers and competitors, as well as allocating resources for marketing activities. Empirically, adaptive capability is identical with responsiveness to customers and competitors. Customer response capability relates to the company's ability and its resources to deliver value-added for customers (Pehrsson, 2011). Competitor response capabilities then relates to ability to understand the strengths and weaknesses of competitors' current and future strategies (Lewrick*, et al*, 2011).

Absorptive capability is the company's ability to recognize value and new external information, to assimilate and apply it in a form of commercialization (Wang and Ahmed, 2007). Absorptive capability is often reflected in INN and its ability to take advantage of new knowledge is important for innovative activities of the company. Innovative Capability (INN) is the company's ability to develop new products, new processes, new organizational and new markets through innovative aligning orientation (Alpay, *et al*, 2012).

The approaches of Innovativeness (INN) and Customer Responsiveness (CRS) are two types of approaches commonly used to predict the company performance. Some studies have shown that companies with good innovativeness have achieved success in improving the company performance (Lee, 2008; Gunday *et al*, 2011b; Wang and Wang, 2012; Atalaya, *et al*, 2013; Cheng, *et al*, 2014). Other researches have also shown that companies with strong INN will have better ability to improve marketing performance (Johnson, *et al*, 2009; Al-Zyadaat, *et al*, 2012; Dibrell, *et al*, 2013; Karabulut, 2015). However, several studies have found different evidence that INN is not important driver for increasing marketing performance (Shergill and Nargundkar, 2005; Atuahene-Gima, *et al*, 2006; Yalcinkaya, *et al*, 2007; Song, *et al*, 2011). In customer-based researches, some findings have shown that customer orientation culture to always be responsive to customers plays a major role in improving the company performance (Farrell and Oczkowski, 2002; Carbonell and Escudero, 2010; Chen-Ho Chao and Spillan, 2010; Chung, 2012). However, some other empirical findings demonstrate that the ability to respond to customer need changes do not give a better impact on company performance (Johnson *et al*, 2009; Matanda and Ndubisi, 2009; Bodlaj, 2010; Dong, *et al*, 2013).

The above description basically shows that although INN and CRS theoretically is a strategic way to increase MRP, but these two variables practically do not always produce better marketing performance. Some studies have suggested that in order to produce better marketing performance, INN should result competitive advantages or positional advantage at first (Wei and Wang, 2011; Ahmadi, *et al*, 2013). Other studies also suggest the importance of product excellence as mediation in the influence of CRS on marketing performance (Langerak, *et al*, 2004; Nakata, *et al*, 2006; Adis and Jublee, 2010). If it is applied to fashion industry it will be possible for religious-based fashion product excellence to mediate the relationship of INN and CRS with MRP. Such product has been culturally designed, manufactured and offered in accordance with the religion guidance. The awareness to use Muslim fashion based on religion norms is shaped by the values of personal belief or faith. Therefore, in solving the gap of the relationship between INN and CRS with marketing performance, it is important to include RFA as mediating variable on the relationship between marketing innovation and marketing performance.

Conceptual Mapping of Religio-centric Fashion Advantage (RFA)

Religious-based market segmentation strategy is one of strategies recommended in marketing management literature. This is because religion influences consumer behaviour in decision making (Mokhlis, 2008; Shah Alam, *et al*, 2011; Bakar, *et al*, 2013). In addition, consumers in a particular religious group will identify themselves based on their religious values and believe that their religion is more important or superior than other religions or religio-centric (Corsini, 1999). Religio-centric implies a combination of positive attitude towards group members of a religion and negative attitude towards group members of other religious (Sterkens and Anthony, 2008). Religio-centric in this term means religious sentiments based on exclusivity of belief that the fulfilment of one's interests should be based on the teachings of his religion

(Ray, 1972). Members of religious groups affiliated with a particular religion will consider religious attributes of their religion better than attributes of other religious groups (Sterkens and Anthony, 2008).

One of marketers' tasks in religion-based market segment is to build a positional advantage by positioning proposition of religion values to achieve better marketing performance. Positional advantage is a relative value of marketing strategy results sent to the target market as alternative for actual customers (Morgan, 2012). This study uses religio-centric fashion advantage as product excellence in religious-based fashion industry. Religio-centric fashion advantage is a new concept from the synthesis of fashion product excellence concept and religio-centric concept. Religio-centric fashion advantage then is defined as excess of a product produced by a company rather than the competitor's product offered to religious-based market segment and exploiting the target market by offering products that are more aesthetic, fashionable and in line with religious norms. A well-designed product will offer functional and aesthetical benefits to consumers, can also be an important source of differentiation. A fashionable religious-based products (up-to-date) are growing in terms of design, colour, pattern, form, size and other features has special attraction for customers. Besides, value adherence on religious norms becomes a key to success and a source of corporate advantage.

Hypotheses
Innovativeness and Religio-centric Fashion Advantage
INN is one of company's strategic instruments in managing the operations of the target market in order to enter new markets, increasing sales or maintaining market share, facing the competitors' manoeuvre happening or obstructing new competitors to enter the market. It is an appropriate medium to build sustainable competitive advantage (Carbonell and Rodriguez, 2006a; Iyer, *et al*, 2006; Gunday, *et al*, 2011a; Alpay *et al*, 2012). INN is part of entrepreneurial orientation that is interpreted as entrepreneurs' willingness to support creativity and experiment in introducing new products or services, novelty, technology leadership and R & D in developing new process (Lumpkin and Dess, 1996). Therefore, INN is a company's capacity in introducing several new processes, new products, new ideas in the organization and new marketing strategies (Jiménez-Jiménez and Sanz-Valle, 2011). INN is the company's willingness to be oriented to technological growth, new products, new services or product lines that are better in pursuing competitive advantage. Thus, innovation is the result of knowledge creation and organizational trust. INN illustrates changes on product or services that already exist, process, and technology by introducing the latest product features, offering exceptional performance, or changing the rules of competitive domain (Avlonitis and Salavou, 2007; Dibrell *et al*, 2013). INN is an organizational culture, values and beliefs to implement innovation (Wong, 2012). Therefore, INN basically is attitude, behaviour, tendency, ability and creativity of an entrepreneur to seek and implement new ideas in order to create something new and unique. INN may occur in product development, organizational process, organizational strategy, organizational behaviour, and others.

INN has a close connection with competitive advantage. Naidoo (2010) finds that marketing innovation has very strong influence on competitive advantage. Abou-Moghli, *et al* (2012) concludes that innovation has a positive impact on competitive advantage. Marketing innovation becomes substantial driver in competitive advantage (Naidoo, 2010; Abou-Moghli *et. al.*, 2012). Some other empirical studies has shown positive impact between product innovation and product positional advantage (Song and Noh, 2006; Wong, 2012; Huang and

Tsai, 2014). Such relationship very possibly occurs in religious-based market segment, such as Muslim fashion. In this type of market, products that are developed based on religious values will have potential to achieve product positional advantage. For example, halal products made in accordance with the guidance of Islamic Sharia are products which are highly desired by Muslim consumers. The obligation for Muslim women to consume halal products can be a key factor of the company's existence in this business. Religious products which adhere to religion norms are created with aesthetic design and potential have potential to gain religio-centric product positional advantage in targeted market segments.

H1: INN has a positive impact on RFA.

Customer Responsiveness (CRS) and Religio-centric Fashion Advantage (RFA)

CRS is part of customer orientation culture becomes important antecedent for competitive advantage (Narver and Slater, 1990), especially in the short term competitive advantage (D'Aveni, *et al*, 2010). Customer-oriented company is a company that has ability to build good relationship with customers (Wang and Feng, 2012), promotes behavioural values and norms that put the customer as the main focus (Jaworski and Kohli, 1993; Wang and Feng, 2012). CRS is associated with various activities provide value-added for customers, such as adaptation of product or service, solution for customer problem, building relationship with customers (Pehrsson, 2011) and providing legitimate needs for customers in exact time (Chavosha *et. al.* (2011). According to Chavosha *et. al.* (2011), understanding the changing of customer needs and performing rapid fulfilment will enable a company to maintain competitive advantage. Besides, company's ability to respond to customer needs is one of success keys in a competitive market. Companies that are highly responsive to customers put optimal attempt to pay attention and find solutions to customer problems, strive to build relationship with customers, and pay attention to serving customization (Jaworski and Kohli, 1993; Pehrsson, 2014). Thus, CRS is the company's ability to respond to customer requests as well as appropriately and quickly adapt to gain or maintain a competitive advantage in the market. In fashion industry, the company's ability to quickly and appropriately respond to changes in customer needs including product design, product motif variation, the type and quality of raw materials used, and product model is the best way to get better business performance. Bell-shaped temporal pattern of fashion showing both fast progress phase and regress phase ease consumers to find alternative style. In the beginning, a certain style is introduced by a small group of fashion leaders. After that, many imitators scramble to enter the short-term market. When people getting fed up with the style, each consumer began to adopt new behaviours by looking for alternative styles (Corneo and Jeanne, 1999).

CRS will enable the company to create and exploit external opportunities and develop durable advantage when it is combined with insight and agility (Hitt, *et al*, 2001). By emphasizing CRS, the company can achieve competitive advantage and high performance levels to build knowledge and gain reputation based on customer needs (Narver and Slater, 1990; Kohli, *et al*, 1993). A strong customer interaction capability is one of most important marketing capabilities that enable the company to use their resources to build customer relationship more intensively, as well as a tool to develop sustainable competitive advantage (Day, 1994). It means that the ability to respond to customers determines positional advantage in targeted market segments. In cultural context of market orientation, customer orientation in a form of company commitment and continuity in compiling information about customers (Slater and Narver, 1990)

will allow the company to improve positional advantage in targeted market segments (Hunt and Morgan, 1995).

Regarding with customer response capability in the fashion industry, Fuentes and Quiroga (2009) explains that fashion is a widespread social phenomenon and cannot be avoided from modern life, hence changes in the appeal of fashion attributes will influence consumption behaviour of fashion customers. Therefore, the company's ability to offer product with several attributes that match with customer needs and desire is the key factor to increase positional advantage and success in fashion business. In religious-based fashion market, companies that are responsive to the need of religious customer, such as trying hard to produce products according to religious guidance, that are aesthetic and fashionable, will have greater opportunity to get an religio-centric fashion advantage.

H2: CRS has a positive effect on RFA.

Innovativeness (INN) and Marketing Performance (MRP)

Marketing is a very dynamic process that marketing performance is a multidimensional process involving adaptability (organizational ability to respond to environmental changes), effectiveness (the extent to which the organizational goals and objectives can be achieved), and efficiency (performance result ratio and the inputs needed to achieve) (Gao, 2010). Normatively, marketing performance measurement involves assessment on marketing resources (e.g. financial, physical, legal, organizational, reputation, relational) and capabilities (e.g. individual ability, specificity, functional and organizational) as sources of advantage; the achievement of positional advantage (e.g., excellence of product, service, price, cost, image and delivery), market performance (e.g., customer perception and behaviour post-purchase (customer perspective) and unit sales, market share, and others (the company's perspective) and financial performance (such as earnings, cash flow, and profits). Other researchers define marketing performance as the company's achievements in achieving the goals of market share, sales growth, improvement in new customers and retaining existing customers (Merrilees *et. al.*, 2011; Soliman, 2011). Therefore, this study conceptualizes marketing performance as a combination of the results of marketing activities perceived by the owner or manager of the company about achieving sales growth, sales volumes, sales targets, and customer growth.

INN is one way taken by a company to gain or maintain a competitive advantage and advance performance of the company. Several empirical studies have shown that innovation affect the company performance (Alpay *et. al.*, 2012; Sok *et. al.*, 2013). Other researchers show that marketing innovation positively impact marketing performance (Ar and Baki, 2011; Al-Zyadaat *et. al.*, 2012). Besides, many studies have shown that product innovation has significant effect on business performance. For example, Matzler *et. al.* (2008) and Akgu¨n *et. al.* (2009) find that profitability performance and growth performance in small and medium enterprises are determined by product innovation. Research in Asian countries conducted by Rosli and Sidek (2013) in Malaysia and Lee (2008) in Taiwan also shows that product innovation really becomes decisive factor for improving corporate performance.

The existence of real relationship between INN and company marketing performance shows that the tendency of companies to produce new and unique product will enable the company to improve its marketing performance. In religious-based market segment, the tendency very possibly occurs. Popular culture influences consumer behavior about fashion product, and company's agreement to always produce new products and services based on customers desire will ease it achieving superior marketing performance.

H3: INN has a positive effect on MRP.

Customers Responsiveness (CRS) and Marketing Performance (MRP)

The linkage between CRS and MRP can refer to the view of Narver and Slater (1990), which shows that market orientation really becomes a strong driving for the improvement of company performance. Customer-oriented company is a company that is responsive to customers. The company will have a strong commitment to customers, add value for customers, meet the customer needs, aim to satisfy customers, constantly measure the customer satisfaction, and perform post-sales services. Companies with customer responsiveness has bigger opportunity to improve the company performance, including marketing performance (Chen-Ho Chao and Spillan, 2010; Chung, 2012).

Above empirical findings confirm that the company's marketing performance improvement depends on CRS. It is very likely applied in specific market, such as Muslim fashion market. The existence of Islamic guidance to keep *silaturrahim* (keep-in-touch) and build the kinship, requires the company to provide the best service to its customers. Companies with such capabilities have potential to improve their marketing performance in the form of sales revenue, sales volume, sales territories, achievement of sales targets, and market share.

H4: CRS has a positive effect on MRP.

Religio-centric Fashion Advantage (RFA) and Marketing Performance (MRP)

Product excellence is a key factor of the success of new products and organizational performance. Many studies have shown that product benefit has a positive impact on company performance (Hsieh, *et al.,* 2008). The previous researchers have shown the close relationship between product benefit and company's performance (Nakata *et al.,* 2006; Hsieh *et al.,* 2008; Ledwith and O'Dwyer, 2008). These conceptual and empirical evidences have shown consistently that product excellence is the most important characteristic in explaining the product's success or the product's performance. In some studies, product performance is described through marketing performance embodied in the growth of sales and market share. This indicates that positional advantage is a decisive factor for product marketing performance. Thus, on a very specific fashion market segment as religious-based fashion, religio-centric fashion advantage will have potential to increase MRP.

H5: RFA has a positive effect on MRP.

The Mediation Role of Religio-centric Fashion Advantage (RFA)

As described above, INN is an entrepreneurial orientation dimension that enables companies to act opportunistically (Lumpkin and Dess, 1996) and increase the capabilities of its resources to achieve product excellence (Huang and Tsai, 2014). On the other side, customer orientation culture allows the company to be always responsive to changing customer needs and enhance the capabilities of its resources to achieve product excellence (Langerak *et al.,* 2004; Nakata *et al.,* 2006; Adis and Jublee, 2010). Meanwhile, product excellence is perceived as a superior product that boost the competitiveness of products, which in turn will bring in much more income or profit for the company (Wong, 2012; Huang and Tsai, 2014). Thus, this study further elaborates that on religious-based market segments, religio-centric product advantage mediates the relationship between INN and CRS with MRP. In other words, beside that INN and CRS directly give effect on marketing performance, both of these variables may also indirectly affect the marketing performance through the mediation of religio-centric product advantage. In

religious-based fashion market, it is very possible that the relationship of INN and CRS with MRP is mediated by RFA.

H6: RFA mediates the positive influence of INN on MRP.

H7: RFA mediates the positive influence of CRS on MRP.

Research Method

Sample and Procedure

The population in this study is the owner and manager of small businesses in the Indonesian Muslim fashion that according to Law No. 20 of 2008 have most net worth 500,000,000 or have annual sales turnover of IDR 2.5 billion. The data obtained from questionnaires distributed to 427 respondents in 11 regencies/ cities in Central Java, Indonesia. The questionnaires are submitted by officers who get advanced training on fashion small business owners or to people who are entrusted in small business. After 3 months of data collection process, only 406 of them are returned, or about 81.03 %. The final evaluation after examining the questionnaires, out of the damaged and data outliers, there are 335 questionnaires (78.45%) were decent to use for data analysis. The selected respondents consist of 76.7% women and 23.3% men between 25 to 50 years old. Most of them are the owners and managers of small businesses at Moslem fashion who have family and worked for more than three years. Their level of education mostly (65.1%) is high school or earlier, and 10.7% of them are diploma, while 24.2% of them are Bachelor.

Instrument

Two exogenous variables used in this study are INN and CRS. INN is adapted from the views of Lumpkin and Dess (1996). INN is an entrepreneur tendency to seek and implement new ideas in order to create something new and unique. CRS is adapted from the view of Chavosha, *et al.* (2011) and Daugherty*, et al.* (1995). CRS is a company's ability to respond to customer requests and to adapt appropriately and quickly to gain or maintain the competitive advantage in the market. RFA is a new concept of positional advantages synthesizing derived from RBV approach and religio-centric concept derived from Social Identity Theory. The concept is then defined as the excess of a fashion product rather than the competitor's company product because the products offered have more aesthetic design, more fashionable and more obedient to religious norms. MRP is adapted from Merrilees *et al.* (2011) and Healy, *et al.* (2014) which is a combination of the results of marketing activities perceived by the company owners or managers. Four items of questionnaire is used to measure INN, five items is used to measure CRS, three items is used to measure RFA, and four item is used to measure MRP (see Table 1). Measurement of each instrument uses interval scale 1 to 10, score 1 shows strongly disagree of a proposed question and score 10 shows strongly agree.

Analysis Technique

Structural Equation Modeling (SEM) is used to test the model of empirical research using data from small business owners or managers of Islamic fashion in Central Java, Indonesia. Confirmatory Factor Analysis Model is used to test the multidimensionality of a theoretical construct (construct validity test). In addition, SEM is also used as a comprehensive test tool for full structural models. The data analysis follows the process recommended by Hair, *et al.* (2010). *First*, creating diagram track model of causality among constructs and its indicators. *Second*, testing un-dimensionality of each construct uses confirmatory factor analysis. *Third*, estimating

the equation of full structural model for indicators passed in the confirmatory test. *Fourth*, discussing discriminant convergence and validity before moving to substantive analysis. SEM analysis is performed using software versions Amos 22:00.

Findings

This study reports the result of Confirmatory Factor Analysis (CFA) for the complete sample. Observations are performed on 16 indicators (4 indicators of INN, 5 indicators of CRS, 3 indicators of RFA and 4 indicators of MRP to get 16 relevant values of loading factor (λ1-λ16). Un-dimensional rating is done through examination of estimation on general least square standardized estimates factor loading, which exceeds 0.6 (Hair *et al.,* 2010). In accordance with the provisions contained in AMOS, loading factor for all latent variables observed have good validity because it has value above 0.6 (Table 1).

Table 1. Confirmatory Factor Analysis Results for the Measurement Model[a]

Innovativeness (INN)	λ	p-value
Openness of marketing ideas	0.821	0.000
Frequency to try new marketing breakthroughs	0.627	0.000
Continuity in product appearance improvement	0.734	0.000
Novelty of product model	0.738	0.000
Customers Responsiveness (CRS)		
Ability to quickly respond to product design needs	0.731	0.000
Ability to quickly respond to product motif needs	0.767	0.000
Ability to quickly respond to raw material needs	0.782	0.000
Ability to quickly respond to product model needs	0.788	0.000
Ability to accurately respond to product demands	0.752	0.000
Religio-centric Fashion Advantage (RFA)		
More aesthetic in religious product design	0.765	0.000
ore fashionable in religious product trend	0.791	0.000
More adhere with religious norms	0.67	0.000
Marketing Performance (MRP)		
Growth of sales outcome in the last 3 years	0.763	0.000
Improvement of sales volume in the last 3 years	0.721	0.000
Achievement of sales targets in the last 3 years	0.635	0.000
Improvement of customer number in the last 3 years	0.710	0.000

[a] X^2 = 107.809; DF = 98, probability 0.234, GFI = 0.960, AGFI = 0.944, TLI = 0.965, CFI = 0.972, RMSEA = 0.017, CMIM/DF = 1.100, Hoetler01 = 414

The high construct reliability demonstrates internal consistency, which means that the indicator has consistently represented the same latent constructs (Hair *et al.,* 2010). Construct Reliability (CR) that exceeds 0.7, Variance Extracted (VE) that exceeds 0.5 and Discriminant Validity (DV) that exceeds 0.7 are standard measurement of internal consistency of the indicators used. Table 1 shows the value of CR is higher than 0.7, VE exceeds 0.5 and DV that exceeds 0.7 for INN, CRS, RFA and MRP indicate that each instrument has good validity in explaining the research variables.

Table 2: Construct Reliabilities, Correlations and AVE

N = 332	1	2	3	4
1. Innovativeness (INN)	0.823[a]			
2. Customers Responsiveness (CRS)	0.516	0.875		
3. Religio-centric Fashion Advantage (RFA)	0.665	0.543	0.818	
4. Marketing Performance (MRP)	0.538	0.511	0.732	0.801
Average Variance Extracted (AVE)	0.845	0.897	0.854	0.818

[a] Factor reliabilities are on the diagonal (italic bold).

The test results of full model of structural equation shows good Goodness-of-Fit index because it produces criteria that are in accordance with SEM recommendation. The value X^2 107.809 is not significant at α 0:05, GFI index 0.960, AGFI 0.944, TLI 0.965, CFI 0.972 that is equal or exceed 0.90 and other criteria, such as RMSEA 0.017 less than 0.08, CMIM/ DF 1.100 less than 2, and the value Hoetler01 (414) that exceeds the amount of sample (335) suits with recommended criteria in SEM. This shows that the recommended model fits or has eligibility to examine the relationship among variables.

Table 3. Parameter estimates for the path: direct effects

| Regression	Std B	Unstd B	S.E.	C.R.
INN → RFA	0.524	0.480	0.078	6.629**
CRS → RFA	0.273	0.255	0.066	3.882**
INN → MRP	0.196	0.161	0.086	2.082*
CRS → MRP	0.225	0.189	0.063	3.011**
RFA → MRP	0.341	0.306	0.078	3.512**
INN → RFA → MRP	--	0.147	0.046	3.210**
CRS → RFA → MRP	--	0.078	0.028	3.774*

Note: * p < 0.05; **p < 0.01

Table 3 and Figure 1 show the result of direct effect of significant positive effect between INN and RFA (Std β = 0524, c.r. = 6,629, p-value <0.01), between CRS and RFA (Std β = 0273, cr = 3.210, p value <0:01), between INN and MRP (Std β = 0196, c.r. = 2.082, p-value <0.05), between CRS and MRP (Std β = 0.225, c.r. = 3,011, p-value <0.01), and between RFA and MRP (Std β = 0366, c.r. = 3,790, p <0:01). This indicates that hypotheses H1, H2, H3, H4, and H5 are accepted.

Mediation test procedure proposed by Sobel (1982) is adopted to test the mediating effect of RFA. Regarding to the H6 and H7, Sobel test of both antecedents affect MRP through RFA, especially, RFA roles as a full mediation in the relationship between INN and MRP. The direct effect of INN on RFA is described by Unstd β 0.480, S.E c.r. 0.078 and 6.629, so it is significant at α 0:01. The immediate effect of MRP on RFA is described by Unstd β 0.306, S.E c.r 0.078 and 3.512, so it is significant at α 0.01. Indirect effect of MRP on RFA though INN is described by coefficient Unstd β 0.147 (0.480 x 0.360). The result of Sobel test shows the value of c.r. 3.210, S.E 0.046 and p-value 0.001, so it is significant at α 0.01. The total effect of the influence of INN on MRP through RFA is 0.308 (0.161 + 0.147) which is higher than the direct effect (0.161) shows that RFA has a very important role as mediation in the relationship of INN with MRP and

becomes a substantial alternative to improve marketing performance. Therefore, this study accepts Hypothesis 6 (H6).

Figure 1. Result of Empiric Model Test
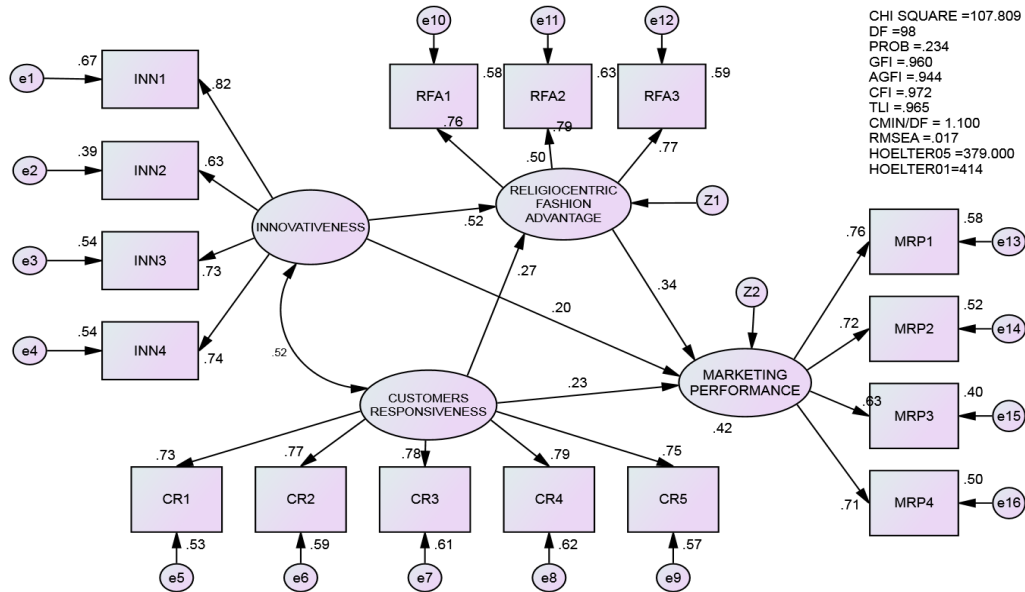
In addition, RFA also mediates the relationship of CRS and MRP. The direct effect of CRS on RFA is described by Unstd β 0.225, S.E 0.066 and c.r. 3.882, so it is significant at α 0.01. The immediate effect of RFA on MRP is described by Unstd β 0.306, S.E 0.078 and c.r. 3.512, so it is significant at α 0.01. The indirect effect of CRS on MRP through RFA is described by coefficient Unstd β 0.078 (0.225 x 0.360). The result of Sobel Test shows c.r. 2.774, S.E 0.028 and p-value 0.028, so it is significant at α 0.05. The total effect of the influence of CRS on MRP through RFA with value 0.267 (0.189 + 0.147) which is higher than the direct effect (0.189) shows that RFA has a very important role as mediation in the relationship between CRS and MRP, and becomes an important alternative to improve marketing performance. Therefore, hypotheses H7 is accepted in this study.

Discussion and Conclusion

This study aims to investigate the relationship between INN and CRS with RFA and MRP, as well as the mediating role of RFA in relationship of INN and CRS with MRP. This study has shown how important the role of RFA for companies engaging in religious-based fashion industry that is very dynamic and has characteristic of short life cycle, unstable demand, low predictability and high level of impulse purchasing (Christopher *et al.,* 2004). RFA has been a convincing mediator in the relationship between INN and CRS with marketing performance. This study has given new reference that provides solutions to controversy of the relationship of INN and CRS with MRP. The results have confirmed the role of internal factors in strengthening

RFA. As internal driver of RFA, INN and CRS will arise if a company has innovation culture and strong customer orientation culture. Strong innovation culture allows all components of the company work hard in finding new ideas that drive business progress, trying new ways that are beneficial for business advancement, continually improving the product appearance, and constantly renewing offered product model. While the culture of customer orientation enables all components in the company strive to improve their capabilities in responding to changing in customer needs. In Muslim fashion industry, the ability to respond quickly and appropriately on changing needs of design, motif, model and raw material is most essential to maintain positional advantage and MRP improvement.

The test results have shown that the higher INN of a company in religious-based market segments, the higher RFA of the company will be. In general, these findings complement the view of resource-based view (RBV) and resource advantage theory (R-A Theory) about the substantial role of resources and capabilities (especially innovation) in gaining competitive advantage or positional advantage and superior performance in a competitive market (Barney, 1991; Hunt and Morgan, 1995; Morgan, 2012; Ahmadi *et al.,* 2013). This result is in line with Abou-Moghli *et al.* (2012), Cascio (2011), and Naidoo (2010) who find a big role of innovation in the formation of positional advantage in a highly dynamic environment.

The test results have also proved that the more responsive a company on customer changing needs and desires in religious-based market segments, the higher the RFA will be. The results of this study confirm previous findings about the relationship between customer orientation and competitive advantage or positional advantage (Hunt and Morgan, 1995; Langerak *et al.,* 2004; Zhou *et al.,* 2009; Adis and Jublee, 2010; Al-alak and Tarabieh, 2011). In addition, the results of this study enrich RBV theory about the role of entrepreneur resources and capabilities in developing competitive advantage. CRS will enable companies to create and exploit external opportunities and develop durable excellence when it is combined with insight and agility (Hitt *et al.*, 2001). In the context of customer orientation culture, the company's ability in accumulating information of changing customer needs and reacting quickly and appropriately to these changes will enable the company to improve positional advantage in the targeted market segments (Hunt 1995).

The results of this study also prove that the higher the company's RFA in a religious-based market segment, the higher the company's MRP will be. In general, the results of this study agree with some previous research findings about the relationship of competitive advantage and the company performance, such as in the researches of Agha and Alrubaiee (2012), Zhou *et. al.* (2009), and Kamukama *et. al.* (2011). These findings also agree with several previous studies which show the relationship of product positional advantage and company performance (Langerak *et. al.*, 2004; Carbonell and Rodriguez, 2006a; Hsieh *et. al.* 2008).

However, different from the results of previous studies as have been described above, this study analyze more specifically on the influence of INN and CRS on MRP in religious-based industry. The addition of religio-centric concept on positional advantage concept is new and has extended their knowledge about RBV and R-A Theory in religious-based industry. On religious-based market segments, INN and company's ability to focus on the fulfillment of customer religiosity needs by offering new religious products that are aesthetic, fashionable and obedient to religious norms will enable the company to achieve better religio-centric fashion advantage. Thus, on religious-based market segments, the company that has a strong religio-centric fashion advantage will have better potential in gaining superior MRP.

According to structural model analysis, as a whole INN and CRS have direct impact on religio-centric fashion advantage and MRP. INN and CRS also have indirect effect on MRP through religio-centric fashion advantage. These test results clearly prove that religio-centric fashion advantage has important role to overcome the research gap regarding to the effect of INN and CRS on MRP. In other words, companies with better INN and CRS in resulting religio-centric fashion advantage will result better marketing performance. In particular, INN contributes to religio-centric fashion advantage, which in turn can increase MRP. Being consistent with the researches of Carbonell and Rodriguez (2006b), Wei and Wang (2011), Ahmadi *et. al.* (2013), this study further confirm the mediating role of religio-centric fashion advantage in the relationship of INN and MRP which is neglected in the studies of Johnson *et. al.* (2009), Acar and Acar (2012), Dibrell *et. al.* (2013). In addition, CRS also contributes to religio-centric fashion advantage, which in turn will increase MRP. Consistent with the research of Langerak *et. al.* (2004), Wei and Wang (2011), this study further confirms the mediating role of religio-centric fashion advantage in the relationship of CRS and MRP which is neglected in the study of Chavosha *et. al.* (2011) and Pehrsson (2014).

Limitations and future research directions

Previous research has put product excellence as mediating variable for the relationship of INN and CRS with MRP. This research has been more specific by placing INN as part of entrepreneurial orientation, CRS as part of market orientation, RFA as part of competitive advantage, and MRP as part of company performance. Meanwhile, in-depth research on other dimensions about the role of product excellence antecedent variables such as the role of technological resource and capability that receive attention from Ahmadi *et al.* (2013), the competitor respond capability (Zhou *et al.,* 2009), another dimension of entrepreneurial orientation, such as risk taking and proactiveness (Wong, 2012), social capital (Chang, *et al.,* 2010) and quality and stability requirements (Yang *et al*, 2014) that have not been performed. In the future, testing on the role of these variables in improving RFA and MRP are still needed for the development of marketing management science.

Previous researches have put internal variable to mediate the relationship of INN and CRS on MRP, such as product benefits (Langerak *et al.,* 2004), innovation performance (Bodlaj 2010), and competitive advantage (Zhou *et al.*, 2009). Meanwhile, the placement of variables in external context consisting of market dynamic, competition intensity and market growth, moderate the relationship of INN and CRS on business performance. External variables can be used to add our model and test its impact on the relationship of INN and CRS on marketing performance. In addition, the types of business strategies also affect the relationship of INN and CRS on performance marketing. Therefore, future studies can include the type of business strategy in our model to examine the relationship of INN and CRS on with MRP.

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