

# Religio-centric product strategy on marketing performance

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## Abstract

**Purpose** – The purpose of this paper is to investigate and test the role of religio-centric product strategy (RPS) in mediating the relationship among marketing innovativeness (MI), market sensing capability (MSC), customer relationship management capability (CRMC) and brand management capability (BMC) with marketing performance (MP) in a religious-based industry. This is in accordance with the conditions of Indonesian religious people and the increasing demand for Muslim fashion products.

**Design/methodology/approach** – This paper selected 330 small fashion businesses in Indonesia and tested the regressive relations of the 6 constructs.

**Findings** – The findings showed that MI, MSC, CRMC and BMC have a positive effect on RPS and RPS also has a positive effect on MP, so that RPS acts as mediation in the relationship among MI, MSC, CRMC and BMC with MP.

**Research limitations/implications** – In-depth research on other dimensions of the role of antecedent variable of RPS, such as NPD capability, specialized marketing capability, resource reconfiguration marketing capability, architectural marketing capability and marketing resources that are interesting to discuss (Morgan, 2012), has not been done in research.

**Originality/value** – By examining the literature on dynamic capability, marketing strategy, entrepreneurship and business performance, this paper offers a unique analysis of dynamic marketing capability and its impact on product strategy and MP in religious-based industries.

**Keywords** Brand management capability, CRM capability, Market sensing capability, Marketing innovativeness, Religio-centric product strategy

**Paper type** Research paper

## Introduction

This paper explains the important role of religio-centric product strategy (RPS) in increasing marketing performance (MP) in the religious-based market segment. RPS is a new concept synthesized from an RPS concept. The concept explains the development activities and product offerings of companies that focus on religious values. This study is to develop dynamic capability theory (DCT) in religious-based specific markets. This study was conducted on the Muslim market segment because of the consideration that Islam has clear rules in product consumption, that is only halal products can be consumed by Muslim people, while those that are forbidden are not permitted (Zailani *et al.*, 2015). In addition, based on social identity theory, a Muslim will identify himself in Muslim groups and will love products that support their religiosity (Hendar *et al.*, 2017). There are around 85% of



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Muslims in the population of Indonesia. They have an increasing awareness of Muslim fashion following the fashion trends sponsored by public figures (Kusumawati *et al.*, 2020). Also, religion is the heart of Indonesian people's lives, so religious practices are not only related to individuals but also to the business, political and social environment. Indonesia, the country with the most Muslim majority in the world, has the potential for a very potential market for the halal industry such as Muslim fashion (Briliana and Mursito, 2017).

Marketing literature explains that the product becomes the heart of the marketing program and is the starting point in creating a marketing mix (Lamb *et al.*, 2010). It means the success of the company is very dependent on product strategies that are designed and implemented (Cooper, 2000). In the religious-based market segment, the product becomes the starting point for consumer evaluation in meeting religiosity needs. Therefore, RPS is an inseparable part of the company's MP creation process. Successful companies are those who are able to adapt their product development strategies to the needs of their market segments (Liu *et al.*, 2005; Artz *et al.*, 2010).

The strategic marketing literature explains that resource and marketing capabilities are the starting point of the process of creating or increasing MP. The company has the resources and marketing capabilities to support the marketing strategy decision and implementation in the process of creating positional advantages and MP (Morgan, 2012). In this context, we also want to see the extent of the role of marketing capability in supporting RPS and MP. This paper focuses on the role of the four dimensions of marketing capability, namely, marketing innovativeness (MI), market sensing capability (MSC), customer relationship management capability (CRMC) and brand management capability (BMC) in supporting RPS and MP.

Partially, MI, MSC, CRMC and BMC have received serious attention from practitioners and academics. Empirical studies have produced various opinions about the role of these four capabilities in improving business performance. First, innovativeness becomes an important driver of small and medium-sized enterprises' (SMEs) business performance (Alpay *et al.*, 2012; Craig *et al.*, 2014; Yıldız *et al.*, 2014), it triggers for MP of business-to-business (B2B) of SMEs (Merrilees *et al.*, 2011), it has a positive impact on customers performance, sales performance and innovation performance (Parida *et al.*, 2016) and it also becomes an important predictor of family performance (Hatak *et al.*, 2016). Nonetheless, several empirical studies show otherwise that MI is not a direct driver of business performance. Cascio (2011) and Atalaya *et al.* (2013) have proven that innovation marketing is not an important driver for improving MP. In addition, some dimensions of innovative marketing such as product innovativeness are truly decisive for improving business performance in both MP and financial performance (Lee, 2008; Lages *et al.*, 2009; Ar, 2012), but some studies are not in line with these findings. Yalcinkaya *et al.* (2007) showed clearly that innovation products have no effect on MP. In addition, Song *et al.* (2011) and Huang and Tsai (2014) found that increasing product innovativeness did not always produce successful new product performance. This information shows that MI does not always produce better MP.

Second, several empirical studies have found that CRMC has a positive relationship with MP (Wang and Feng, 2012; Elkordy, 2014a; Wang and Kim, 2017), but other studies show that CRMC is not able to push MP, and it even negatively impacts revenue growth rate and profit growth rate performance (Morgan *et al.*, 2009). Third, there is a positive relationship between MSC and business performance (Osakwe *et al.*, 2016), but other studies show that MSC does not affect revenue growth rate, margin growth rate and profit growth rate performance (Morgan *et al.*, 2009). Fourth, branding capabilities refers to the ability to identify simple brands that are meaningful, use branding as an operational instrument,

communicate consistent brand meaning, treat brands as assets and manage staff to support brands to be important drivers of MP of SMEs (Merrilees *et al.*, 2011). Unfortunately, other studies show that brand management does not affect the profit growth rate performance and even negatively impacts the growth rate performance margin (Morgan *et al.*, 2009).

The findings of the study indicate that, although theoretically, MI, MSC, CRMC and BMC are strategic means for increasing MP, practically these four variables do not always produce better MP. Several studies have suggested that to produce a better MP, the four variables should make marketers easier to produce a better marketing strategy decision and marketing strategy implementation (Morgan, 2012); this includes product strategy decision and product strategy implementation. In companies that make religion as the basis for determining market segments and targets, focus on meeting customer needs for products that support religiosity commitments, build bonds with target customers, provide the best service to customers and branding products and companies with the value of religiosity, will have a better opportunity to gain positional advantages and increase MP. In other words, MI, MSC, CRMC and BMC that enable companies to produce RPS will have the potential to improve MP better.

RPS studies are very important for products that are closely related to cultural phenomena (including religious sub-cultures) such as Muslim clothing. These products, culturally designed, produced and offered in accordance with Shari'ah guidelines. Awareness of Muslim clothing is shaped by personal faith values. This makes the Muslim fashion market to be a very potential market and promises a large profit rate for companies that enter it. Therefore, in solving the gap of the relationship among marketing capabilities with MP, it is important to include RPS as a variable that mediates the relationship among the four variables with MP. This paper will examine the role of RPS.

## Literature review

### *Conceptual mapping strategy of religio-centric products*

Marketing literature has placed religion as the basis for determining important market segments for a product, especially for religio-centric products. This is a product that is needed to support or strengthen one's religious identity. In this market segment, marketers can form religious-based value propositions and serve customers in accordance with religious rules. Research has shown that religious beliefs affect corporate decision-making, the development of corporate culture and business judgment (Engelland, 2014; Rakrachakarn *et al.*, 2015). Therefore, by focusing on marketing strategy in the religion-based market segment, the religio-centric approach becomes the key to the success of a business (Hendar *et al.*, 2017). Strong followers of religion will tend to adhere to the rules and code of ethics established by the religious doctrines of the religion believed.

Religio-centric explains the combination of positive attitudes toward group members in religion and negative attitudes toward group members of other religion (Sterkens and Anthony, 2008). Religio-centric means religious sentiment based on the exclusivity of the belief that a person in fulfilling his interests must be based on his religious teachings (Ray, 1972), so that the religiosity attributes of his religion will be felt better than the attributes possessed by a group that adheres to another religion (Sterkens and Anthony, 2008). Religio-centric customers are very concerned about the morality and welfare of their religious groups, so they tend to consume goods that are in accordance with their religious principles even though they have low quality (Hendar *et al.*, 2017). One of the company's tasks in dealing with these market segments is to create and implement RPS in conveying value to customers and gaining positional advantages from it. The intended RPS is an integrated decision pattern of organizations that determine important choices regarding products

offered to the market with marketing resources owned to create, communicate and/or convey the religiosity values in various programs to meet the needs of the target market.

RPS is an inseparable part of the effort to build an image positioning in the minds of customers and the achievement of corporate goals in the long term. Every company that targets followers of a particular religion needs to create and develop products with quality, brand, packaging and product support services that are in accordance with certain religious values. The incompatibility of products with religious values will not be accepted in this market segment. For example, Islam requires that the products offered are halal and prohibit marketing products that are haram. Violating what is prohibited in Islam and trying to get something legal is Islamic religious values that must be implemented. Illegal products will be very difficult to sell to Muslim consumers because their behavior is largely determined by a general understanding of what is permitted and what is prohibited by Sharī'ah law (Alserhan, 2012). Products must meet the requirements of Sharia, such as the product must not use the name of Allah in term of branding and labeling, halal, harmless, not out of date, have durability value, and have a positive impact on the environment (Abuznaid, 2012).

#### *Antecedent of religio-centric product strategy*

DCT explains that the main driver of a planned marketing strategy is the capability of company resources used to translate strategic marketing decisions into tactics and appropriate allocation of resources to understand current market conditions and future market forecasting (Morgan, 2012). In the religious-based market segment, a stronger effort to understand the drivers of the effectiveness of religio-centric marketing strategy, the role of the two marketing capabilities of the company is very important (Hendar *et al.*, 2017). First, dynamic marketing capability concerns the ability of companies to engage in market-based learning and use the resulting insights to reconfigure company resources and improve their capabilities in a manner that matches the dynamics of the market environment (Morgan, 2012; Martin *et al.*, 2017). This includes MI (Mariadoss *et al.*, 2011) and MSCs (Morgan *et al.*, 2009). MI is a process where the companies engage and support new ideas, novelty, experimentation and creative processes to produce new products, services, processes or technologies that increase value for customers (Lumpkin and Dess, 1996; Łacka, 2015; Hendar *et al.*, 2017). MSC is the process where the companies learn about religious markets and use this insight to make appropriate marketing strategy decisions (Day, 1994; Lindblom *et al.*, 2008). This includes routines that are used to collect, process and interpret market information, distribute relevant market information to decision-makers and develop strategic marketing ventures (Lindblom *et al.*, 2008; Morgan *et al.*, 2009).

Second is cross-functional marketing capability, it refers to the process where the companies integrate special cross-functional capabilities that are more complex, such as BMC and CRMC (Morgan, 2012). This includes the ability to conceptualize marketing academically, but often not in a formally organized marketing organization in a company (Srivastava, 2001). BMC refers to a system and process used to develop, grow, maintain and use company brand assets (Morgan *et al.*, 2009; Morgan, 2012). Whereas the CRMC concerns the company's ability to identify attractive customers and prospects, initiate and maintain relationships with these attractive customers and use this relationship to be a customer-level advantage (Morgan, 2012). CRMC reflects the company's skills and accumulated knowledge to identify customers and attractive prospects, initiate and maintain relationships with attractive customers and use these relationships into customer-level profits (Morgan *et al.*, 2009). CRMC is reflected in the main customer relationship management (CRM) activities, such as management of customer interactions, improving customer relations and rebuilding

lost but profitable customer relationships (Wang and Feng, 2012). Overall, this research focuses on four important antecedents of RPS, namely, MI, MSC, CRMC and BMC.

*Marketing innovativeness and religio-centric product strategy.* Innovativeness and dynamic capability (DC) are closely interrelated, that is, many dynamic abilities are at least partially identified with innovative behavior according to their nature (Teece, 2010). Innovativeness of the company is considered as the key of DC that drives actual innovation as suggested by Azadegan and Dooley (2010). Innovativeness is different from innovation because innovation refers to practice or output, while innovativeness is related to innovative capabilities. Thus, innovation is a results-oriented concept, while innovativeness is a process-oriented ability and concept (Flint *et al.*, 2005; Golgeci and Ponomarov, 2013). Innovativeness is universally considered as an activity of exploring something new that has not existed before and this becomes a critical organizational competency that provides benefits in competitive markets (Dibrell *et al.*, 2013).

MI is classified as resources capabilities because it results from company-specific knowledge and special processes in understanding the unique things related to the environment (Eisenhardt and Martin, 2000). Some researchers agree that companies that have innovativeness will be easier in the marketing strategy decision and marketing strategy implementation. MI is a part of firm innovativeness that relates to the willingness of companies to implement new marketing methods by changing product or packaging design, alternative uses of products, product distribution, marketing communications, setting competitive prices to deal with changing customer needs better, opening new markets or positioning new products in the market to increase company sales (Karabulut, 2015).

MI is explained through three dimensions, namely:

- (1) innovativeness at the product level related to changes in product physicality;
- (2) innovativeness at the level of service related to changes in the customer service process, which effectively and efficiently uses the resources owned, such as changes in maintenance, service to buyers, guarantees and training for distributors or retailers; and
- (3) innovativeness at the level of delivery, which includes changes in logistics and channels used to deliver products to buyers (Kim and Mauborgne, 1997).

Thus, MI is the management's willingness to make continuous changes in the product marketing space, marketing process and marketing relations for the purpose of getting better MP and positional superiority in the intended market segment. It is actualized in the form of willingness to look for ideas and try new ways in marketing activities, improvements in product design, improvements in product positioning, improvements in marketing communication activities (promotion), improvements in competitive pricing, improvements in channels distribution and improvement in customer maintenance.

There is a clear connection between MI and product strategy. MI is a part of marketing DC that becomes a potential source of effectiveness in the marketing strategy decision and marketing strategy implementation. Marketing strategy is related to the creation of a marketing mix that enables businesses to achieve their goals in the target market (Hsu, 2011). One important dimension of this marketing-mix strategy is product strategy because it is at the heart of the marketing program and becomes the starting point in creating a marketing mix (Lamb *et al.*, 2010), and the company's success depends on product development strategies designed and implemented (Cooper, 2000). Morgan (2012) explains that marketing resource capabilities are a potential source of decision-making and

marketing strategy implementation in generating positional superiority and MP. In this context, we examine MI as an important part in an effort to better understand the factors driving for the effectiveness of product strategy. In a religious-based market, MI will make an entrepreneur easier to take product strategy decision and their implementation based on religious values. The attitude, behavior and tendency of an entrepreneur to find something new will make them easier to produce a better quality RPS. Therefore *H1* is set as:

*H1.* There is a positive relationship between MI and RPS.

*Market sensing capabilities and religio-centric product strategy.* MSC is the company's capacity to collect and interpret knowledge from markets (customers, competitors and technology) and the capacity to store everything in the accessible organizational memory (Day, 1994; Olavarrieta and Friedmann, 2009). MSC is also the ability to collect and use information needed to commercialize patented innovations from the market (Lindblom *et al.*, 2008). MSC deals with the company's ability to have a deeper insight and understanding of its macro market environment because it may affect company customers, competitors and other strategic business partners (Osakwe *et al.*, 2016). MSC consists of four dimensions which have special resonance in market sensing activities, namely, organizational systems, marketing information, organizational communication and learning orientation (Foley and Fahy, 2004).

According to Lindblom *et al.* (2008), MSC consists of three components, namely, sensing, sense-making and responsiveness. Sensing is related to obtaining information about consumers, competitors and other channel members. Companies with strong sensing will actively experience events and trends in market environment, systematic in gathering information, regularly gather information from a variety of different sources and actively exchange information with other retailers. Sense-making refers to the interpretation of information gathered on past experiences and knowledge. Firms with strong sense-making will be seen from the style of interpreting analytical information, using a lot of time to analyze the information gathered, actively analyzing information before making marketing decisions and analyzing information is useless when it comes to marketing decisions. Responsiveness is related to the use of information collected and interpreted in decision-making. Responsiveness of companies will be seen from the activities of companies who are always actively using information about consumer needs and intentions, actively using information provided by sellers and market share reports that are important for making marketing decisions, actively using data provided by sales and market share reports available, actively using the data provided by profitability analysis and actively using the information provided by the study of company image when making marketing decisions (Lindblom *et al.*, 2008).

According to Day (1994), companies need to emphasize market sense as an organization's learning ability to drive marketing strategies. According to Morgan *et al.* (2009), companies with good MSCs will be seen from the way they learn about customer needs and desires, discover competitors' strategies and tactics, gain insight into channel members, identify and understand market trends and learn about a broad market environment. That means companies with good MSC will have good ability in designing marketing strategies, including product strategies. In a religious-based market segment, it is very possible that MSC determines the quality of RPS. Therefore, *H2* is set as:

*H2.* There is a positive relationship between MSC and RPS.

*Customer relationship management capabilities and religio-centric product strategy.* CRM has been widely regarded as a set of organizational methodologies and processes to attract and retain customers through their increased satisfaction and loyalty (Khodakarami and Chan, 2014). CRM is a useful tool in identifying the right customer group and to help decide which customers are loyal (Zineldin, 2006). This CRM concept is built on the premise that developing relationships with customers is the best way to maintain them and generate loyalty, and that loyal customers are more profitable than non-loyal customers (Zeithaml et al., 1996). CRM is a cross-functional organizational process that focuses on forming, maintaining and improving long-term relationships with attractive customers (Frow et al., 2011). Therefore, the main goal of CRM is to attract, develop and maintain successful customer relationships over time; target customers with the right product or service, channel and time; and build profitability through increasing customer loyalty (Nyadzayo and Khajehzadeh, 2016).

CRM is seen as an organizational capability that enables companies to manage long-term profitable relationships with their customers and to improve their competitive position. This capability is based on integration from four sources, namely, CRM technology, CRM process, customers' orientation and CRM organization (Elkordy, 2014a). CRMC is reflected in customer interaction management activities such as customer identification, customer acquisition and customer retention; improving customer relations; and rebuilding relationships with lost customers (Wang and Feng, 2012). Morgan et al. (2009) explain that companies need to have a CRMC to manage organizational processes in attracting, starting and maintaining attractive customer relationships and using this relationship to be a customer-level advantage. Companies with good CRMC will be seen from their activities in identifying and targeting attractive customers, forming dialogues with target customers, getting target customers to try out products/services of the company, focusing on meeting long-term target customer needs, maintaining attractive loyalty among customers, improving the quality of attractive customer relationships and maintaining positive relationships when migrating non-attractive customers (Morgan et al., 2009).

Marketing literature has explained the CRMC as part of cross-functional marketing capabilities that determine the effectiveness of marketing strategy decision and marketing strategy implementation, including in product strategy (Morgan, 2012). Knowledge gained from activities to build good relationships with customers will be the key to success in product development strategies. Thus, the CRMC will determine the quality of product strategy offered to the market. In a religious-based market segment, it is likely that companies with better CRMC will be easier to develop and implement RPS. Therefore *H3* is set as follows:

*H3.* There is a positive relationship between CRMC and RPS.

*Brand management capabilities and religio-centric product strategy.* One of the keys to the success in a consumer product business is the ability of the target market to differentiate one product from another through branding. The intended brand is the name, term, symbol, design or combination that identifies the seller's product and distinguishes it from competing products (Lamb et al., 2010). Brands must be created, coordinated and communicated to produce a positive image of the product and company. Brand management is the process of creating, coordinating and monitoring interactions that occur between organizations and stakeholders, so that there is consistency between the organization's vision and stakeholder confidence in a brand (Berthon et al., 2008).

BMC does not only concern the ability to create and maintain high brand equity but also concerns the ability to apply these resources in a way that is appropriate to the market

environment (Krake, 2005). In addition, BMC concerns the systems and processes used to build, develop, maintain and use company brand assets (Morgan *et al.*, 2009). It concerns special marketing capabilities such as market research capabilities, product management, pricing, marketing for certain brands, research and development, accounting, production and operations to develop and implement brand business plans (Morgan, 2012). According to Morgan *et al.* (2009), companies with strong BMC have characteristics such as:

- using customer insight to identify valuable brand positions;
- establishing desired brand associations in the minds of customers;
- maintaining a relatively positive brand image to competitors;
- achieving a high level of brand awareness in the market;
- using brand equity to preferential channel positions; and
- tracking brand image and awareness among target customers.

Strategic marketing literature explains that the main purpose of brand management is brand identification, which distinguishes a product from other products. For this reason, brand managers are required to have analytical skills in aspects of branding from a very broad perspective as an integral part of the branding environment. It includes reputation, the market segmentation, distributor as an intermediary, the power of distributor, the image of the manufacturer, risk reduction, accessibility, trade conditions, loyalty and the image of the distributor (Herstein and Zvilling, 2011). A capability is needed to make companies easier to develop product strategies in selected market segments, including for religious-based market segments. In this market segment, companies with better BMC will be better able to develop an RPS. Therefore, *H4* is set as follows:

*H4.* There is a positive relationship between BMC and RPS.

#### *Antecedent of marketing performance*

Marketing is a very dynamic process so that MP is a multidimensional process related to adaptability, effectiveness and efficiency (Gao, 2010). Other researchers define MP as a company's achievement in achieving the goals of achieving market share, sales growth, increasing profit margins, increasing new customers, increasing customer satisfaction and retaining existing customers (Merrilees *et al.*, 2011; Soliman, 2011). In this study, MP is conceptualized as a combination of the results of marketing activities that are perceived by the owner or manager of the company about achieving sales growth, increasing sales volume, achieving sales targets, customer growth and expanding marketing areas.

*Marketing innovativeness and marketing performance.* In several empirical studies, innovativeness has become an important driver of the performance of SMEs (Alpay *et al.*, 2012; Craig *et al.*, 2014; Yildiz *et al.*, 2014), it has become a trigger for MP in B2B SMEs (Merrilees *et al.*, 2011), it has a positive impact on customers performance, sales performance and innovation performance (Parida *et al.*, 2016) and it has become an important predictor of the future performance of family companies (Hatak *et al.*, 2016). Thus a company with a better MI will be easier to improve MP (Rubera and Kirca, 2012; Craig *et al.*, 2014). Therefore, *H5* is set as follows:

*H5.* There is a positive relationship between MI and MP.

*Market sensing capabilities and marketing performance.* Marketing literature explains how important market information is in improving MP (Ferrell *et al.*, 1999; Kotler and



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Armstrong, 2011). Companies with learning orientation (learning commitment, shared vision, open mindedness and intra-organizational knowledge sharing) have the ability to drive business performance (Calantone *et al.*, 2002). MSC as one of the important dimensions of the market learning orientation has positive relationship with profitability (Day, 1994; Osakwe *et al.*, 2016), new product development performance (Mu, 2015) and growth performance (Lindblom *et al.*, 2008). Some of these findings illustrate how important MSC is in supporting MP. This might also occur in the religious-based market segment. Therefore, *H6* is set as follows:

*H6.* There is a positive relationship between MSC and MP.

*Customer management relationship capability and marketing performance.* Resource-based view provides a multidimensional perspective that is suitable for CRM applications because it seeks to connect superior company performance with various resources and capabilities that the company has (Coltman, 2007). The marketing strategy literature explains the way to be most successful and CRM programs must focus on latent customer needs that support a proactive market orientation. This requires a superior CRMC that can create position excellence and improve performance. A stronger CRMC leads to increased business performance (Coltman *et al.*, 2009; Wang and Feng, 2012). This shows that, in a religious-based market segment, it is very possible to have a close relationship between the CRMC and the MP. Therefore *H7* is set as follows:

*H7.* There is a positive relationship between CRMC and MP.

*Brand management capabilities and marketing performance.* In some studies, brand management has an important role in increasing MP. Merrilees *et al.* (2011) explain that in addition to innovation capability, branding capability has a dominant role in increasing MP of the company. This shows that in a religious-based market segment, it is very possible that a close relationship between BMC and MP will occur. In these market segments, companies with better BMC will be better able to improve MP. Therefore, *H8* is set as follows:

*H8.* There is a positive relationship between BMC and MP.

*Religio-centric product strategy and marketing performance.* The marketing literature explains that MP is very dependent on the company's ability to develop and implement marketing strategies that are suitable for certain market segments. This includes the suitability of product development strategies in the religious-based market segment. In general, the purpose of product marketing is one or a combination of improving market position, positional advantage, market share growth, acquiring new customers, increasing sales to new and old customers, customer satisfaction and providing customer value (Morgan *et al.*, 2003). Therefore, a product strategy needs to pay attention to how to make the best use of company resources to be able to compete in selected markets and get superior performance. Companies can do this by introducing products, improving product quality, upgrading technology and increasing production efficiency that enables an increase in offer value, fulfillment of customer needs or desires and ready to meet competing challenges (Wei *et al.*, 2014). A key aspect of product strategy is to focus on providing valuable offers to targeted customers through the deployment of company resources (Hughes and Morgan, 2007). Changes in product strategy reflect the company's efforts to improve certain aspects of its offerings, such as innovation in production processes, technical procedures and production, product design and product/service quality. More advanced technology

and production techniques, for example, cause fewer defects, higher product availability and better product quality, which collectively must generate higher sales and profitability. To succeed, product strategy must shift toward achieving organizational goals so that it ultimately impacts performance (Wei *et al.*, 2014).

H9. There is a positive relationship between RPS and MP.

## Research method

### *Sample and procedure*

The population in this study is owners, managers or owners who are also managers of small Muslim fashion businesses in Indonesia, namely, those who have a maximum net worth of IDR500,000,000 or who have maximum annual sales of IDR2,500,000,000 (Indonesia Republic Law No. 20 of 2008). Data are obtained from 450 distributed questionnaires in 11 districts/cities in Indonesia. The survey was conducted by distributing questionnaires directly to the owners of small fashion businesses with the snowball sampling method. This is a non-random sampling technique that is used to trace respondents from one another in a chain because their existence information is very limited (Mawhinney and Rinke, 2018). After two months of the data collection process, it turned out that only 382 questionnaires were returned, i.e. around 84.9%. After examining the damaged questionnaire and outlier data, it was finally obtained 330 data (73.30%) which is suitable for analysis. The selected respondents consisted of 65.7% of women and 34.3% of men aged between 20 and 50 years. Most of them are owners and managers of small Muslim fashion businesses who are married and have worked for more than three years. Most of the respondents' education level (63.1%) is high school or previous, 10.2% have diploma and 26.7% of the respondents have bachelor's degree.

### *Instrument*

Four exogenous variables are used in this study, such as MI, MSC, CRMC and BMC. MI is adapted from Karabulut (2015) and Hendar *et al.* (2017). MI is the willingness to look for ideas and try new ways of marketing activities, improvements in product design, improvements in product positioning, improvements in marketing communication activities (promotion), improvements in competitive pricing and improvements in distribution and repair channels in customer maintenance. MSC was adapted from Morgan *et al.* (2009) and Lindblom *et al.* (2008). MSC is the company's ability to learn about customer needs and desires, discover competitors' strategies and tactics, gain insight into channel members, identify and understand market trends and learn about a broad market environment. CRMC was adapted from Wang and Feng (2012). CRMC is the company's ability to identify and target attractive customers, form dialogues with target customers, get target customers to try out company products/services, focus on meeting the long-term target customer needs, maintain attractive loyalty among customers, improve the quality of attractive customer relationships and maintain a positive relationship when migrating unattractive customers. BMC was adapted from Morgan *et al.* (2009). BMC is the company's ability to use customer insights to identify valuable brand positions, establish desired brand associations in the customer's mind, maintain a relatively positive brand image to competitors, achieve a high level of brand awareness in the market, use brand equity to preferential channel positions and also track brand image and awareness among target customers.

One intervening variable, RPS, is a new variable formed from the collaboration of the product strategy concept with religio-centric based on the views of Hendar *et al.* (2017). RPS

is an integrated decision pattern of organizations that determine important choices regarding products offered with marketing resources owned to create, communicate and/or convey the values of religiosity in various programs to meet the needs of the target market. MP as a consequence variable is adapted from the view of Soliman (2011), Merrilees *et al.* (2011) and Healy *et al.* (2014), that is, a combination of the results of marketing activities that are perceived by the owner or manager of the company about achieving sales growth, increasing sales volume, achieving sales targets, customer growth and expanding marketing areas.

Each of the six instruments is used to measure the constructs of MI, MSC, CRMC, BMC and MP. Each instrument used a ten-point interval scale, where a score of 1 indicates strongly disagree with a statement submitted and a score of 10 indicates strongly agree. This is an expansion of the Likert scale that will produce interval data that are closer to the base distribution (Mawhinney and Rinke, 2018). This scale will also produce measurements that allow calculation of averages, standard deviations, statistical test parameters, correlations, etc. as expected by the SEM AMOS program (Ferdinand, 2014).

### *Analysis technique*

Empirical research models were tested using structural equation models (SEM). Through this model, the multidimensionality of the theoretical construct (construct validity) is tested using the confirmatory factor analysis (CFA) model. In addition, SEM is also used as a comprehensive test tool for full structural models. Data analysis follows the process recommended by Hair *et al.* (2010), that is, making a path diagram model of causality between constructs and indicators, testing the unidimensionality of each construct with CFA, estimating the full structural model equation for indicators that have passed the confirmatory test and discussing convergence and discriminant validity before moving to substantive analysis. SEM analysis was done by using AMOS software version 22.00. The Sobel test is then used to test the significance of the mediating effect of RPS in the relationship between the four dimensions of marketing capabilities and MP.

### **Findings**

This study reports the results of CFA for complete samples. Observations were made on 35 indicators: 7 indicators of MI, 5 indicators of MSC, 6 indicators of CRMC, 6 indicators of BMC, 6 indicators of RPA and 5 indicators of MP to obtain 35 relevant loading factor values ( $\lambda_1$ – $\lambda_{35}$ ). Unidimensional assessment was done through an examination of the general least square standardized estimates factor loading, which exceeds 0.6 (Hair *et al.*, 2010). In accordance with the provisions in AMOS, the loading factor for all observed latent variables has good validity because it has a value above 0.6 (Table 1).

High construct reliability (CR) indicates internal consistency, which means that indicators consistently represent the same latent construct (Hair *et al.*, 2010). CR that exceeds 0.7, variance extracted (VE) that exceeds 0.5 and discriminant validity that is greater than 0.7 is a standard of internal consistency measurement of the indicators used. Table 2 shows that CR value is greater than 0.7, VE exceeds 0.5 and the average variance extracted (AVE) squared exceeds the variable correlation value for MI, MSC, CRMC, BMC, RPS and MP, which shows that each instrument has good validity in explaining the research variables used.

The full SEM test result shows a good goodness-of-fit (GFI) index because it produces criteria according to the recommended SEM. Value of  $\chi^2 = 586.818$  with  $p$ -value = 0.105, which is not significant data = 0.05; GFI index = 0.909, adjusted goodness fit of index (AGFI) = 0.895, Tucker Lewis index (TLI) = 0.989 and comparative fit index (CFI) = 0.990, which equals or exceeds 0.90; and other criteria such as foot mean square error of approximation (RMSEA) = 0.015, which is less than 0.08. The minimum sample discrepancy

<i>MI</i> (Cronbach's alpha = 0.843, CR = 0.844, AVE = 0.702)	$\lambda$
Freedom to find new marketing ideas that support marketing programs	0.580**
Often try new ways that support marketing effectiveness	0.699**
Always take advantage of new technologies that facilitate product marketing	0.646**
Continuously improving the appearance of products (Muslim fashion) offered	0.688**
Routinely introduce products (Muslim fashion) with new models to the market	0.612**
Routinely develop various approaches to new sales management	0.694**
Routinely develop various approaches to marketing relationships with customers	0.693**
<i>MSC</i> (Cronbach's alpha = 0.831, CR = 0.831, AVE = 0.710)	
Ability to learn about customer needs and desires	0.703**
Ability to learn and understand the strategies and tactics of the company's main competitors	0.696**
Ability to get information about members of the distribution and communication channels	0.708**
Ability to identify and understand market trends	0.707**
The ability to learn to understand the changing market environment	0.708**
<i>CRMC</i> (Cronbach's alpha = 0.854, CR = 0.854, AVE = 0.744)	
Ability to identify attractive customers	0.738**
Ability to set attractive target customers	0.712**
The ability to build dialogue with customers in selected market segments	0.696**
Ability to focus on meeting long-term target customer needs	0.674**
Ability to maintain attractive loyalty among customers	0.681**
The ability to improve the quality of attractive customer relationships	0.717**
<i>BMC</i> (Cronbach's alpha = 0.818, CR = 0.819, AVE = 0.663)	
Ability to use customer insight to identify brand position	0.702**
The ability to develop a brand image among target customers	0.704**
The ability to develop brand awareness among target customers	0.709**
The ability to set desired brand associations in the minds of customers	0.643**
The ability to achieve a high level of brand awareness in the market	0.616**
The ability to use high brand equity in the market	0.662**
<i>RPS</i> (Cronbach's alpha = 0.854, CR = 0.855, AVE = 0.745)	
Produce new products that are in line with religious norms (Sharī'ah)	0.689**
Achievement of the goal of developing new products in line with religious provisions (Sharī'ah)	0.718**
Improving product quality by adhering to religious values (Islam)	0.704**
Product attributes based on proximity to religious symbols, values and provisions	0.706**
Implementation of religious values in each product design made	0.732**
Develop product models and patterns according to religious rules	0.672**
<i>MP</i> (Cronbach's alpha = 0.815, CR = 0.816, AVE = 0.744)	
Increased sales (rupiah) for the past three years	0.684**
Increased sales volume (units) in the past three years	0.654**
Customer growth over the past three years	0.718**
Expansion of sales area for the past three years	0.664**
Profit growth over the past three years	0.706**

**Table 1.**  
CFA results for the  
measurement model

**Notes:** <sup>a</sup>  $\chi^2 = 586.818$ ; DF = 545; probability = 0.105; GFI = 0.909; AGFI = 0.895; TLI = 0.989; CFI = 0.990; RMSEA = 0.015; CMIM/DF = 1.077; Hoetler01 = 351. \*  $p < 0.05$ ; \*\* $p < 0.01$

function/degree of freedom (CMIM/DF) = 1.077, which is less than 2; and the value of Hoetler01 = 351, which exceeds the number of samples (330); the result has met the recommended criteria in SEM (Table 1). This shows the recommended model is fit or has the feasibility to test the relationship among variables.

Table 3 and Figure 1 show the results of the direct effect of a significant positive effect of MI on RPS (Std  $\beta = 0.262$ , CR = 3.699,  $p$ -value < 0.01); MSC on RPS (Std  $\beta = 0.183$ , CR =

2.679,  $p$ -value < 0.01); CRMC on RPS (Std  $\beta$  = 0.241, CR = 3.541,  $p$ -value < 0.01); BMC on RPS (Std  $\beta$  = 0.186, CR = 2.882,  $p$ -value < 0.01); MI on MP (Std  $\beta$  = 0.079, CR = 1.064,  $p$  > 0.05); MSC on MP (Std  $\beta$  = 0.244, CR = 3.273,  $p$ -value < 0.01); CRMC on MP (Std  $\beta$  = 0.190, CR = 2.701,  $p$ -value < 0.01); BMC on MP (Std  $\beta$  = 0.149, CR = 1192,  $p$ -value < 0.05); and RPS on MP (Std  $\beta$  = 0.180, CR = 2.219,  $p$ -value < 0.05). This shows that  $H1$ ,  $H2$ ,  $H3$ ,  $H4$ ,  $H6$ ,  $H7$ ,  $H8$  and  $H9$  are accepted, while  $H5$  is rejected.

*Post hoc analysis: mediation*

Mediation tests help in identifying the existence of a significant intervention mechanism of RPS in the relationship between the four dimensions of marketing capabilities and MP. Mediation analysis involves partial mediation and full mediation. Partial mediation occurs when there is a direct relationship between the independent variable and the dependent variable, in addition to an indirect relationship through mediation variables. Full mediation occurs when there is no direct relationship between the independent variable and the dependent variable, while the indirect relationship through the mediating variable is significant (Rucker et al., 2011; Jogaratnam, 2017).

The mediation test of RPS in the relationship between the dimensions of marketing capabilities and BP adopts the recommendation by Baron and Kenny (1986):

- the independent variable significantly influences the mediator variable;
- mediator and dependent variables must be significantly related;

N = 332	1	2	3	4	3	4
1. MI	<i>0.844<sup>a</sup></i>					
2. MSC	0.412	<i>0.831</i>				
3. CRMC	0.448	0.424	<i>0.854</i>			
4. BMC	0.368	0.349	0.260	<i>0.819</i>		
5. RPS	0.514	0.458	0.484	0.409	<i>0.855</i>	
6. MP	0.412	0.492	0.458	0.386	0.484	<i>0.816</i>
AVE	0.702	0.710	0.744	0.663	0.745	0.676

Note: <sup>a</sup>Reliability factors are on the diagonal (italic)

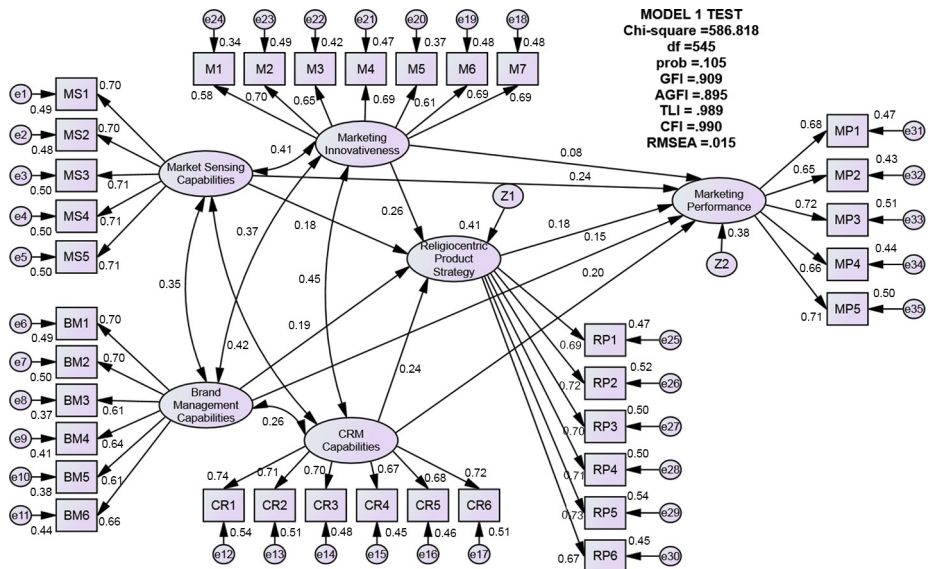
**Table 2.**  
CR, correlation and AVE

Hypotheses	Regression	Std B	Unstd B	SE	CR	Note
$H1$	MI → RPS	0.262	0.233	0.068	3.699**	Accepted
$H2$	MSC → RPS	0.183	0.164	0.061	2.679**	Accepted
$H3$	CRMC → RPS	0.241	0.228	0.064	3.541**	Accepted
$H4$	BMC → RPS	0.186	0.183	0.063	2.882**	Accepted
$H5$	MI → MP	0.079	0.072	0.068	1.064	Rejected
$H6$	MSC → MP	0.244	0.223	0.069	3.273**	Accepted
$H7$	CRMC → MP	0.190	0.190	0.071	2.701**	Accepted
$H8$	BMC → MP	0.149	0.151	0.069	2.192*	Accepted
$H9$	RPS → MP	0.180	0.180	0.081	2.219*	Accepted

Notes: \* $p$  < 0.05; \*\* $p$  < 0.01

**Table 3.**  
Parameter estimates for the path: direct effects

Figure 1.  
The result of  
empirical model test



- independent variables must be related to the dependent variable, but not necessarily significant; and
- the relationship between the independent variable and the dependent variable must be insignificant or weaker when the mediator is added.

Three steps were proposed to examine the role of RPS mediation. First, test the direct relationship of MI, MSC, CRMC and BMC with MP. The results show that MP is significantly influenced by MSC ( $\beta = 0.253$ ,  $SE = 0.069$ ,  $p\text{-value} = 0.000$ ), CRMC ( $\beta = 0.233$ ,  $SE = 0.070$ ,  $p\text{-value} = 0.000$ ) and BMC ( $\beta = 0.184$ ,  $SE = 0.068$ ,  $p\text{-value} = 0.007$ ), while MI is not related to MP ( $\beta = 0.114$ ,  $SE = 0.066$ ,  $p\text{-value} = 0.085$ ). Second, test the direct relationship of MI, MSC, CRMC and BMC with MP after being mediated by RPS. The results show that MP is significantly influenced by MSC ( $\beta = 0.223$ ,  $SE = 0.068$ ,  $p\text{-value} = 0.001$ ), CRMC ( $\beta = 0.190$ ,  $SE = 0.071$ ,  $p\text{-value} = 0.007$ ) and BMC ( $\beta = 0.151$ ,  $SE = 0.069$ ,  $p\text{-value} = 0.028$ ), while MI is not related to MP ( $\beta = 0.072$ ,  $SE = 0.068$ ,  $p\text{-value} = 0.289$ ). Third, comparing the direct relationship between MI, MSC, CRMC and BMC with MP before and after mediated by RPS. The results show that there is a decrease in the coefficient regression weights of 0.031 in the relationship between MSC and MP, 0.043 in the relationship between CRMC and MP, 0.033 in the relationship between BMC and MP and 0.042 in the relationship between MI and MP. This shows that RPS acts as a partial mediator in the relationship between MSC, CRMC and BMC with the MP, and the full mediator in the relationship between MI and MP. Fourth, the Sobel test is used to ensure that the indirect path coefficient is really significant in explaining the role of the RPS as an important mediator in the relationship between marketing capabilities and MP. The results show that RPS is an important mediator in the relationship between MP and MSC ( $\beta = 0.029$ ,  $SE = 0.017$ ,  $p\text{-value} = 0.044$ ), CRMC ( $\beta = 0.041$ ,  $SE = 0.022$ ,  $p\text{-value} = 0.030$ ), BMC ( $\beta = 0.033$ ,  $SE = 0.019$ ,  $p\text{-value} = 0.039$ ) and MI ( $\beta = 0.042$ ,  $SE = 0.022$ ,  $p\text{-value} = 0.028$ ). The test results reinforce the role of the RPS as a full mediator in the relationship

between MI and MP, and partial mediators in the relationship between MSC, CRMC and BMC with MP (see Table 4).

### Discussion and conclusion

This study aims to investigate the relationship between MI, MSC, CRMC and BMC with RPS and MP, and the mediating role of RPS in that relationship. This research has proven how important the role of RPS is for companies engaged in a religious-based fashion industry that is very dynamic and has short life cycle characteristics, unstable demand, low predictability and high rates of impulse buying (Christopher *et al.*, 2004). The existence of a good positive effect between MI, MSC, CRMC and BMC on RPS and the significant effect between RPS and MP show that RPS actually acts as a mediator in the relationship of MI, MSC, CRMC and BMC with MP. However, several independent variables such as MSC, CRMC and BMC which have a positive and significant direct relationship with MP indicate that there is partial mediation in that relationship. Meanwhile, a non-significant direct relationship between MI and MP shows the role of RPS as full mediation in the relationship between MI and MP. Apart from the role of RPS as full mediation or partial mediation in various relationships, RPS has a strategic role in delivering the role of MI, MSC, CRMC and BMC in increasing MP. The total effect of a direct and indirect relationship will be greater than the direct effect. In view of Rucker *et al.* (2011), mediation RPS will strengthen the regression relationship of marketing capabilities to increase performance. This shows that RPS has become a convincing mediator in the relationship between marketing capabilities and performance.

The results of this empirical study become new references that provide a solution to the controversy over the relationship between marketing capabilities and performance. The results of this study have confirmed the role of internal factors such as MI, MSC, CRMC and BMC in strengthening RPS. As an internal driver of RPS:

- MI arises when companies have an innovative culture that continues to be encouraged in seeking new ways to strengthen marketing activities;
- MSC emerges when companies are consistent in implementing a market orientation culture;
- CRMC emerges when companies continuously apply the customer-centric approach; and
- BMC arises when there is consistency in implementing brand culture in the company.

A strong culture of innovativeness allows all components of the company to work hard to find new ideas that drive business progress, try new ways that are beneficial for business progress, continuously improve product appearance and continually renew the product

Path		CRMC	MSC	MI	BMC	RPS
Direct effect	RP	0.228	0.164	0.233	0.183	0
	MP	0.190	0.223	0.072	0.151	0.180
Indirect effect	MP	0.041*	0.029*	0.042*	0.033*	0
Total effect		0.283	0.215	0.308	0.219	0

**Table 4.**  
Parameter estimates  
for the path: indirect,  
indirect and total  
effect

Notes: \* $p < 0.05$ ; \*\* $p < 0.01$

models offered. Market orientation culture allows all components of the company to strive to improve its capabilities in responding to changes in customer needs and competitors' strategies. The customer-centric approach allows all components of the company to strive to improve its capabilities in providing the best service to its customers. Whereas brand culture allows all components of the company to strive to improve its capabilities in building the brand image of its products and companies so as to produce a brand positional advantage in the minds of customers. In this context, it can be explained as follows.

First, MI affects the RPS but not the MP. This means, the tendency for entrepreneurs to find new ideas that are in line with religious values, try new ways, take advantage of new technology, improve product performance, introduce new models, develop new sales approaches and use new ways of approaching customer relations, will be easier for them to design a religio-centric product strategy. Although researchers such as [Semuel \*et al.\* \(2017\)](#) have explained the relationship of the innovativeness with the differentiation strategies, especially product differentiation, but the findings of this study are something that has not happened yet. In particular, these findings contribute to the theory of dynamic capabilities related to the role of marketing innovation capabilities in supporting the marketing strategy decision and implementation in product management.

In this study, MI does not have a direct impact on MP. This shows that the data variation in MI is not enough to explain the variation of data in MP. This finding contradicts several findings, such as [Merrilees \*et al.\* \(2011\)](#), [Craig \*et al.\* \(2014\)](#), [Yıldız \*et al.\* \(2014\)](#) and [Hatak \*et al.\* \(2016\)](#), which explain positive relationship between innovativeness and business performance. But this finding is in line with [Cascio \(2011\)](#), [Yalcinkaya \*et al.\* \(2007\)](#), [Song \*et al.\* \(2011\)](#), [Huang and Tsai \(2014\)](#) and [Atalaya \*et al.\* \(2013\)](#), which proves that MI is not an important driver that directly affects the increase in MP. Then, the discovery of the RPS as a full mediator in the relationship between MI and MP complements. [Morgan \(2012\)](#) views that the role of dynamic marketing capability is related to innovativeness in supporting the effectiveness of the marketing strategy decision and marketing strategy implementation in product management. This research contributes to the development of marketing DC by placing RPS as a full mediation in the relationship between marketing innovation capabilities and MP.

Second, MSC is manifested in the form of an entrepreneur's ability to learn about customer needs and desires, learn to understand competitors' strategies and tactics, get information about channel members, identify and understand market trends and understand the changing environment in the religious-based market segment, and it will enable the company to design a better RPS in that market segment. Furthermore, the discovery of positive relationship between MSC and MP provides evidence that MSC really plays a role in increasing MP. This complements previous findings such as those conducted by [Day \(1994\)](#), [Mu \(2015\)](#) and [Osakwe \*et al.\* \(2016\)](#). Furthermore, the relationship between MSC and RPS, MSC with MP and RPS with MP is something new in the realm of DCT. Conceptually, it has been explained that better MSC will enable the entrepreneur to develop a marketing strategy decision and marketing strategy implementation, as well as MP ([Morgan, 2012](#)), but a detailed explanation of the relationship between MSC and product strategy decisions and product strategy implementation and also MP is still not done. Thus, these findings specifically have contributed to the development of DC theories, especially those related to product management. Placement of RPS as a partial mediation in the relationship between MSC and MP in a religious-based market is a new thing in a DCT.

Third, the entrepreneur's ability to manage CRM by identifying and targeting attractive customers, building dialogue with customers, focusing on fulfilling long-term customer targets, maintaining attractive customers and improving the quality of relationships with



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attractive customers in the religious-based market segment, will enable the company for designing RPS and at the same time getting a better MP. In addition, it is also known that CRMC has a positive effect on MP. These findings are in line with [Wang and Feng \(2012\)](#), [Elkordy \(2014b\)](#) and [Wang and Kim \(2017\)](#), who show that CRMC has a positive relationship with company performance.

Furthermore, finding evidence of the relationship between CRMC and RPS, CRMC with MP and RPS with MP proves that RPS has a very important role as a partial mediation in the relationship between CRMC and MP in religious-based markets. CRMC is a part of cross-functional capability in marketing that helps strengthen the effectiveness of a marketing strategy decision and marketing strategy implementation to generate positional advantage and MP ([Morgan, 2012](#)). That means CRMC will help improve the effectiveness of product strategy, considering that the strategy is part of the marketing strategy. In the religious-based market segment, CRMC will determine the effectiveness of RPS. This is a new finding that strengthens the view of DC that is specifically implemented in the religious-based market.

Fourth, BMC affects RPS and MP. This shows the ability of entrepreneurs to manage brands by using customer insights to identify brand positions, develop brand image, develop brand awareness, establish brand associations desired by customers, achieve high levels of brand awareness and use high brand equity in the religious-based market segment, will enable the company to design an RPS and at the same time get better MP. Furthermore, evidence of the relationship between BMC and RPS, BMC with MP and RPS with MP is found proving that RPS has a very important role as partial mediation in the relationship between BMC and MP in the religious-based market.

As with CRMC, BMC is part of cross-functional capability in marketing that helps strengthen the effectiveness of the marketing strategy decision and marketing strategy implementation to generate positional advantage and MP ([Morgan, 2012](#)). That means BMC will help increase the effectiveness of product strategy, considering that the strategy is part of the marketing strategy. In the religious-based market segment, BMC will determine the effectiveness of RPS. This is a new finding that strengthens the view of DC that is specifically implemented in the religious-based market.

## Conclusion

The finding that RPS is a mediator in the positive relationship between MI, MSC, CRMC and BMC with MP in religious-based market segments has complemented the view of [Morgan \(2012\)](#) about the important role of resources and marketing capability in developing marketing strategy decision and marketing strategy implementation, increasing positional superiority and achieving market performance and superior financial performance. Thus, this finding will complement DCT which is specifically implemented in the religious-based market. From this perspective, the capabilities of marketing innovation, market sensing, CRM and brand management that are used by companies to develop RPS will explain variations in performance among companies. Therefore, DCT in this context explains that the main driver of the effectiveness of implementing religio-centric marketing strategy or specifically religio-centric is the capability of the company that is used to translate marketing strategy decision or product strategy into tactics related to current market understanding and future market estimates.

In the context of religious-based markets, examining marketing capabilities such as MI, MSC, CRMC and BMC as drivers of effective implementation of RPS and MP seems to be very important. The addition of the religio-centric concept to the product strategy concept is something new and has added to the repertoire of knowledge regarding DC in a religious-

based industry. In the religious-based market segment, the company's ability to manage MI, market sensing, customer relationships and brands with a focus on meeting customer religiosity needs seems to make entrepreneurs easier to make product strategy decision and the implementation in line with customer needs. Thus, in the religious-based market segment, companies that have good RPS will have better potential in gaining MP.

### Limitation and future research direction

Previous research has put marketing strategy implementation as mediation in the relationship between marketing capabilities and MP (Morgan *et al.*, 2012). This research has been more specific by placing RPS (part of marketing strategy) as mediation in the relationship between MI, MSC, CRMC and BMC with MP. Meanwhile, in-depth research on other dimensions of the role of antecedent variable RPS, such as NPD capability, specialized marketing capability, resource reconfiguration marketing capability, architectural marketing capability and marketing resources that have received attention (Morgan, 2012), is still not done. Meanwhile, conceptual and empirical studies are based on other religio-centric strategy concepts such as religio-centric marketing communication strategy, religio-centric selling strategy, religio-centric service strategy and religio-centric relational strategy that have not been implemented. In the future, various antecedents and consequences of the religio-centric strategy concept need to be tested to enrich the knowledge of marketing strategy and DC.

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