

The Impact of Market Orientation and Logistics on Market Performance Mediated by Customer Relationship Management

Golan Hasan^{1*}, Felicia Lovely _2341207², Nahrudien Akbar M³

^{1,2} Faculty of Economics and Business University International Batam, Indonesia

³ Faculty of Economics and Business University Pancasila Jakarta, Indonesia

ABSTRACT

This study aims to examine the influence of Market Orientation, Wholesale, and Logistics on Market Performance, as well as the mediating role of Customer Relationship Management (CRM) within the Logistics ecosystem of Batam City. An explanatory quantitative approach was employed, with data collected through five-point Likert scale questionnaires distributed to directors and supervisors of Logistics and wholesale companies in Batam, and subsequently analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The findings reveal that Market Orientation and Logistics positively and significantly influence Customer Relationship Management (CRM). Market Orientation and CRM also have positive and significant effects on Market Performance. In contrast, Wholesale does not significantly influence either CRM or Market Performance, while Logistics does not have a significant direct effect on Market Performance. Furthermore, CRM significantly mediates the relationship between Market Orientation and Market Performance, as well as the relationship between Logistics and Market Performance. This study recommends that Batam Logistics companies strengthen the synergy between Logistics operational capabilities and CRM infrastructure, while balancing market sensing strategies with long-term customer relationship development as the key to sustainable market performance improvement.

KEYWORDS- Integrated Marketing Communication, Customer Experience, Customer Loyalty, Customer Relationship Management.

I. INTRODUCTION

Indonesia's logistics industry has experienced rapid growth alongside the expansion of international trade. Batam has emerged as one of Indonesia's most strategic logistics hubs due to its status as a *Free Trade Zone (FTZ)* and *Free Port*, resulting in a continuous increase in cross-border trade transactions. Despite this considerable potential, the Batam logistics ecosystem faces several structural challenges, including intense competition from cost-efficient regional logistics operators based in Singapore and Malaysia, fragmented inter-island distribution networks, and unequal digital capabilities between large corporations and medium-sized logistics enterprises (Oktavia, 2023). Under these circumstances, logistics companies can no longer rely solely on operational efficiency but must also develop a deeper understanding of market needs while establishing long-term customer relationships (Muhammad Zidhan Augestri et al., 2025).

Field observations reveal that although many logistics companies in Batam have implemented market-sensing activities and attempted to strengthen customer relationships, their market performance has yet to reach optimal levels. This condition is reflected in persistently high customer churn rates, relatively low long-term customer loyalty, and the uneven adoption of structured Customer Relationship Management (CRM) systems. Many firms remain reactive in responding to market dynamics rather than proactively developing data-driven relational capabilities (Oktavia, 2023; Muhammad Zidhan Augestri et al., 2025).

Operational challenges faced by logistics companies in Batam have become increasingly complex and directly affect business partners' trust and overall market performance. One of the most frequently reported issues is delivery delay, resulting from various factors, including port congestion, lengthy cross-border customs clearance procedures, and limited inter-island transportation capacity. Such delays not only reduce operational efficiency but also undermine corporate clients' confidence in the reliability of logistics service providers. For companies involved in distributing industrial and retail products throughout Batam, even a single day's delay may lead to

significant financial losses due to disruptions in clients' supply chains. In addition to delivery delays, the risks of cargo damage and loss during transportation remain major concerns for logistics companies operating in Batam. As an archipelagic city, Batam relies heavily on maritime transportation, making shipments vulnerable to adverse weather conditions, inconsistent cargo handling practices, and multiple transportation mode transfers. These conditions often result in compensation claims, reduced contract values, and long-term deterioration of customer trust. The situation is further exacerbated by the limited implementation of real-time tracking systems among many medium-sized logistics operators, preventing clients from accurately monitoring shipment status and responding promptly to potential disruptions (Oktavia, 2023; Muhammad Zidhan Augestri et al., 2025).

These operational issues suggest that logistics companies in Batam, regardless of their organizational size, have yet to fully integrate logistics operational capabilities with adaptive customer relationship management strategies. Accordingly, this study focuses on corporate respondents, specifically managers and supervisors from companies operating within Batam's logistics ecosystem, as strategic decisions regarding logistics operations, risk management, and customer relationship management are made at the organizational rather than individual level. This organizational perspective is consistent with the characteristics of the business-to-business (B2B) logistics industry, where long-term inter-organizational relationships form the foundation of sustainable business performance (Oktavia, 2023; Muhammad Zidhan Augestri et al., 2025). The primary issue motivating this study is the inconsistency of previous empirical findings regarding the relationship between Market Orientation and Market Performance. Several studies have reported a strong positive relationship between these variables (Noya et al., 2025; Dahmiri et al., 2024). However, other studies argue that this relationship is not always direct or significant and may depend on mediating mechanisms and industry-specific contexts (Hendrayati et al., 2025). Within the logistics service industry, customer relationships are highly relational and depend heavily on trust, service reliability, and delivery punctuality. Therefore, the mechanism through which market orientation influences market performance warrants further investigation (Jamaludin et al., 2022).

The research gap identified in this study consists of three main aspects. First, previous studies examining the relationship between market orientation and market performance have primarily focused on manufacturing firms and small and medium-sized enterprises (SMEs), rather than logistics ecosystems with their distinctive characteristics (Schulze et al., 2022; Fahmi et al., 2025). The research gap identified in this study consists of three main aspects. First, previous studies examining the relationship between market orientation and market performance have primarily focused on manufacturing firms and small and medium-sized enterprises (SMEs), rather than logistics ecosystems with their distinctive characteristics (Hendrayati et al., 2025). This study offers a novel contribution by proposing an integrated framework that positions Customer Relationship Management (CRM) as a mediating variable linking Market Orientation, Wholesale, Logistics, and Market Performance within Batam's logistics ecosystem. Unlike previous studies that typically examine these relationships separately and across different industrial settings, this research employs PLS-SEM to capture the complex structural relationships among the variables, including the potential trade-off between market-sensing capability and relationship-building activities. The study contributes both theoretically and practically. From a theoretical perspective, it enriches the marketing management literature by providing empirical evidence regarding the mediating role of CRM within the logistics ecosystem of a free trade region. From a practical perspective, it offers strategic recommendations for logistics and wholesale companies in Batam to strengthen the synergy between logistics operational capabilities, market orientation strategies, and CRM infrastructure as key drivers of sustainable market performance.

2. LITERATURE REVIEW

Market Orientation Theory emphasizes that an organization's success largely depends on its ability to understand and respond effectively to market needs (Schulze et al., 2022). Narver and Slater conceptualized market orientation as a business philosophy focused on delivering superior customer value through three fundamental dimensions: customer orientation, competitor orientation, and interfunctional coordination. Customer orientation emphasizes a comprehensive understanding of customers' current and future needs. Competitor orientation refers to an organization's ability to identify and evaluate competitors' strengths, weaknesses, and strategic actions. Interfunctional coordination highlights the importance of collaboration among all organizational functions to create superior value for customers (Noya et al., 2025).

Within the logistics service industry, market orientation plays a critical role because logistics services are intangible and highly dependent on service reliability, delivery timeliness, and the quality of customer relationships (Jamaludin et al., 2022). Logistics companies with a strong market orientation are generally more

responsive to changing market demands, better able to customize their services according to customer needs, and more capable of adapting to competitive pressures. Therefore, market orientation serves not only as a marketing strategy but also as a strategic foundation for organizational decision-making (Dahmiri et al., 2024).

Previous studies have demonstrated that market orientation positively influences organizational performance, particularly market performance (Noya et al., 2025). Organizations that consistently adopt a market-oriented approach are more likely to achieve sustainable competitive advantages because they possess a deeper understanding of market dynamics and are better equipped to develop long-term customer relationships. Therefore, Market Orientation Theory provides an appropriate theoretical foundation for explaining how market orientation influences Customer Relationship Management (CRM) and market performance within the Batam logistics ecosystem (Fahmi et al., 2025).

Wholesale refers to the large-scale distribution of goods from manufacturers to other business entities, including retailers, distributors, and industrial buyers. In modern distribution systems, wholesale activities extend beyond the physical movement of goods by facilitating market information exchange, understanding business customers' needs, and maintaining relationships among supply chain participants (Jamaludin et al., 2022). Rapid market development and technological advancement have encouraged wholesale businesses to adopt stronger market-oriented approaches. Wholesale firms are expected to understand business customers' needs more comprehensively, maintain supply continuity, and provide added value through reliable, timely, and flexible services. By adopting a strong market orientation, wholesale companies can adjust their distribution strategies to changing market demands. Furthermore, integrating market orientation, customer relationship management, and effective distribution systems enables wholesale firms to retain business customers, expand market coverage, and improve market performance sustainably (Hanaysha & Al-Shaikh, 2024).

Logistics refers to the planning, implementation, and management of the movement of goods, information, and resources from their point of origin to their final destination. In logistics service businesses, service quality is largely determined by the reliability of distribution systems, delivery speed, and operational efficiency (Sutrisno et al., 2023). Sutrisno et al. (2023) reported that effective logistics management significantly improves organizational distribution performance. When logistics systems consistently ensure timely deliveries, reliable services, and accurate product handling, organizations become more capable of responding to changing market conditions and customer requirements. As a result, customers perceive the company as a reliable business partner, increasing their confidence and willingness to establish long-term partnerships. Similarly, Maulana P et al., (2023) argued that effective logistics management, supported by high-quality services and efficient delivery processes, plays a crucial role in reducing operational costs while simultaneously improving organizational market performance. This finding indicates that logistics should not merely be viewed as an operational function but rather as a strategic capability that strengthens the relationship between market orientation and market performance. Consequently, logistics management should be regarded as a strategic organizational capability that enables companies to respond more effectively and efficiently to evolving market demands.

Customer Relationship Management (CRM) is a strategic approach that organizations use to establish, maintain, and strengthen long-term customer relationships through systematic and data-driven processes. CRM focuses on collecting, managing, and utilizing customer information to improve every customer interaction, thereby creating sustainable value for both customers and organizations (Bulti, 2022). Within service industries, particularly logistics and wholesale businesses, CRM plays a highly strategic role because business relationships rely heavily on trust, service reliability, and customer satisfaction. Effective CRM implementation enables organizations to better understand customer behavior and preferences, enhance customer loyalty, and strengthen long-term business relationships (Tochukwu Ignatius Ijomah et al., 2024). Previous studies have also demonstrated that CRM not only directly improves market performance but also serves as a mediating mechanism that strengthens the relationship between market orientation and market performance (Hendrayati et al., 2025). Market performance refers to an organization's ability to achieve its market objectives, which are commonly reflected in increased sales volume, expanded market share, and stronger customer loyalty. This concept measures the extent to which an organization's strategies successfully create customer value and gain market acceptance (Jha & Sarabhai, 2024). Organizations with a strong market orientation generally achieve superior market performance because they are better equipped to understand customer needs, respond to changes in the business environment, and develop sustainable competitive advantages (Noya et al., 2025). Within service industries, market performance is also influenced by service quality and the effectiveness of customer relationship management.

Consequently, the integration of market orientation, CRM, and reliable logistics systems becomes a critical factor in achieving sustainable market performance (Jamaludin et al., 2022).

Relationships Among Variables

The Effect of Market Orientation on Customer Relationship Management (CRM)

Market orientation reflects an organization's capability to identify and respond to customer needs, monitor competitive dynamics, and coordinate internal functions to create superior customer value. Organizations with a strong market orientation are generally more responsive to customer expectations and more proactive in developing long-term business relationships. In this context, market orientation serves as a fundamental prerequisite for the effective implementation of Customer Relationship Management (CRM). Fahmi et al. (2025) reported that market orientation encourages organizations to manage customer relationships more systematically through the effective utilization of customer information and business networks. Similarly, Hendrayati et al. (2025) found that market orientation strengthens CRM practices by enhancing customer value creation. Therefore, market orientation is expected to have a positive effect on Customer Relationship Management (CRM). Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H1. Market Orientation has a positive effect on Customer Relationship Management (CRM).

The Effect of Wholesale on Customer Relationship Management (CRM)

Within wholesale operations, maintaining long-term business relationships is essential for sustaining organizational performance. Wholesale firms must ensure supply continuity, distribution efficiency, and effective communication with business partners. Consequently, customer relationship management represents a strategically important component of wholesale operations. Jamaludin et al. (2022) argued that supply chain distribution strategies and market orientation encourage organizations to implement CRM practices to maintain stable customer relationships. Likewise, Hanaysha dan Al-Shaikh (2024) found that market orientation and marketing capabilities within distribution businesses contribute to stronger customer relationships. Therefore, wholesale activities are expected to have a positive effect on Customer Relationship Management (CRM). Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H2. Wholesale has a positive effect on Customer Relationship Management (CRM).

The Effect of Logistics on Customer Relationship Management (CRM)

In the logistics service industry, customer relationships are strongly influenced by service consistency, delivery accuracy, and distribution reliability. Well-managed logistics systems provide customers with positive service experiences, thereby strengthening trust and long-term commitment.

Sutrisno et al. (2023) demonstrated that effective logistics performance enhances customer trust in an organization. This finding was further supported by Maulana P et al. (2023), who concluded that service quality and delivery speed encourage organizations to manage customer relationships more systematically through CRM implementation. Therefore, logistics is expected to have a positive effect on Customer Relationship Management (CRM). Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H3. Logistics has a positive effect on Customer Relationship Management (CRM).

The Effect of Market Orientation on Market Performance

Market orientation represents a strategic organizational approach that emphasizes understanding customer needs, monitoring competitors' strategies, and coordinating organizational functions to create superior customer value. In today's dynamic business environment, market orientation provides organizations with the capability to identify market opportunities, anticipate changes in customer demand, and respond effectively to competitive pressures. Organizations with a high level of market orientation are generally more capable of developing marketing strategies that align with market needs, thereby strengthening their competitive position and improving market performance. From a theoretical perspective, market orientation is based on the premise that organizations focusing on customers and competitors are more likely to achieve sustainable competitive advantages. Schulze et al. (2022) argued that proactive market orientation enables organizations to recognize market changes at an early stage and develop innovations that improve organizational performance. Therefore, market orientation functions not only as a mechanism for gathering market intelligence but also as a strategic capability for transforming market information into value-creating business decisions. Empirical evidence consistently supports the positive relationship between market orientation and market performance. (Noya et al., 2025) found that

market orientation significantly improves market performance by enhancing organizations' understanding of customer needs and access to market information. Similarly, Dahmiri et al. (2024) demonstrated that market orientation enhances marketing performance through the development of competitive advantage. Within the logistics industry, market orientation is particularly important because service quality depends heavily on delivery speed, reliability, and customer interaction. Logistics companies that understand customers' expectations regarding delivery timeliness, cargo security, and information transparency are more capable of building customer trust, which ultimately contributes to improved market performance (Jamaludin et al., 2022).

Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:
H4. Market Orientation has a positive effect on Market Performance.

The Effect of Wholesale on Market Performance

Wholesale plays a vital role in connecting manufacturers with the market through large-scale product distribution. Effective wholesale operations contribute directly to sales achievement, market expansion, and long-term business continuity. Jamaludin et al. (2022) reported that effective distribution strategies positively influence both organizational and market performance. Likewise, Jha dan Sarabhai, (2024) found that market-oriented business activities contribute to improved market performance. Therefore, wholesale activities are expected to have a positive effect on market performance. Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H5. Wholesale has a positive effect on Market Performance.

The Effect of Logistics on Market Performance

Effective logistics performance enables organizations to respond quickly and efficiently to changing market demands. Delivery accuracy and service consistency are critical determinants of customer satisfaction and organizational competitiveness. Maulana P et al. (2023) found that logistics management and delivery speed significantly improve cost efficiency and market performance. Similarly, Oktavia (2023) argued that advanced logistics technology and efficient logistics systems contribute to improved organizational performance. Therefore, logistics is expected to have a positive effect on market performance. Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H6. Logistics has a positive effect on Market Performance.

The Effect of Customer Relationship Management (CRM) on Market Performance

Customer Relationship Management (CRM) is a strategic approach that enables organizations to establish and maintain long-term relationships with customers. Effective CRM implementation allows organizations to better understand customer needs, enhance customer satisfaction, and strengthen customer loyalty. Bulti (2022) found that CRM implementation significantly improves market performance. Likewise, Tochukwu Ignatius Ijomah et al. (2024) reported that CRM tools positively influence sales growth and customer loyalty. Therefore, Customer Relationship Management (CRM) is expected to have a positive effect on market performance. Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H7. Customer Relationship Management (CRM) has a positive effect on Market Performance.

The Mediating Role of Customer Relationship Management (CRM) in the Relationship Between Market Orientation and Market Performance

The relationship between market orientation and market performance is not always direct. In many cases, the effectiveness of market orientation depends on an organization's ability to manage customer relationships systematically. Organizations with a strong market orientation are more capable of understanding customer needs and translating that knowledge into long-term customer relationships through effective CRM implementation. Consequently, CRM serves as an important mechanism through which market orientation improves market performance. Hendrayati et al. (2025) demonstrated that CRM mediates the relationship between market orientation and market performance. Similarly, Fahmi et al. (2025) concluded that CRM strengthens the positive effect of market orientation on organizational performance by improving customer relationship management. Therefore, CRM is expected to mediate the relationship between market orientation and market performance. Based on the theoretical arguments and empirical evidence presented above, the following hypothesis is proposed:

H8. Customer Relationship Management (CRM) positively mediates the relationship between Market Orientation and Market Performance.

3. RESEARCH METHODS

This study employed an explanatory quantitative research design to examine the causal relationships among the research variables. Specifically, the study investigated the effects of Market Orientation, Wholesale, and Logistics on Market Performance, with Customer Relationship Management (CRM) serving as a mediating variable within the logistics ecosystem of Batam City. The study examined both the direct effects of the independent variables on the dependent variable and their indirect effects through the mediating role of Customer Relationship Management (CRM). Primary data were collected using a structured questionnaire based on a five-point Likert scale, with measurement items developed from established theories and previous empirical studies. A cross-sectional research design was adopted to capture respondents' perceptions at a specific point in time. The collected data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM), as this analytical approach is well suited for examining complex structural relationships involving multiple latent constructs without requiring normally distributed data. The research population consisted of organizations operating within Batam's logistics ecosystem, including logistics companies, wholesale distributors, and other businesses involved in supply chain activities. Batam was selected as the research setting because of its strategic role as a Free Trade Zone (FTZ) and a major logistics hub characterized by extensive domestic and international distribution activities. The unit of analysis was the organization. Accordingly, the respondents were managers, supervisors, and other personnel directly involved in marketing decision-making, customer relationship management, and logistics operations, as they possess the knowledge and experience necessary to provide reliable information regarding the variables examined in this study. A purposive sampling technique was employed to select respondents who met the predetermined research criteria.

The research focused on the following constructs:

1. Market Orientation, which reflects the extent to which an organization understands customer needs, monitors competitors, and coordinates internal organizational functions.
2. Customer Relationship Management (CRM), which represents an organization's capability to establish, maintain, and strengthen long-term customer relationships.
3. Market Performance, which reflects organizational market outcomes, including sales growth, market share expansion, and customer satisfaction.

By examining these constructs, this study is expected to provide empirical evidence regarding the strategic role of Customer Relationship Management (CRM) in strengthening the relationship between Market Orientation and Market Performance within the logistics industry, particularly in a strategic logistics hub such as Batam City.

The study utilized both primary and secondary data sources. Primary data were collected through structured questionnaires using a five-point Likert scale administered to managers and supervisors of logistics and wholesale companies operating in Batam. Secondary data were obtained from the existing literature, including academic journals, books, and relevant industry reports. The data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to examine both the direct and indirect relationships among the research variables. The analysis consisted of measurement model evaluation, structural model assessment, hypothesis testing, and mediation analysis.

4. RESULTS AND DISCUSSION

The respondent demographic profile presented shows that this study involved 151 respondents from 17 logistics, courier, and wholesale companies operating in Batam City. Based on gender, the majority of respondents were female, accounting for 104 respondents (68.9%), while 47 respondents (31.1%) were male. This distribution indicates a higher level of female participation in the study than male participation.

With respect to age, the largest proportion of respondents was over 31 years old, representing 66 respondents (43.7%). This was followed by respondents aged 21–25 years, totaling 47 respondents (31.1%), respondents aged 26–30 years, totaling 35 respondents (23.2%), and respondents aged 18–20 years, totaling 3 respondents (2.0%). The age distribution suggests that the majority of respondents were within the productive working-age group and possessed substantial professional experience, making them well qualified to provide reliable responses regarding the variables examined in this study.

All respondents (100%) reported Batam City as their place of residence. This indicates that the study maintained a clearly defined geographical focus, ensuring that the findings accurately represent the characteristics of respondents operating within Batam's logistics ecosystem.

Regarding the highest educational attainment, the largest group of respondents held a Diploma (D1/D2/D3) qualification, accounting for 65 respondents (43.0%). This was followed by respondents holding a Bachelor's Degree (S1) (54 respondents; 35.8%), a Master's Degree (S2) (14 respondents; 9.3%), a Senior High School (SMA) qualification (13 respondents; 8.6%), and a Postgraduate Degree (5 respondents; 3.3%). Overall, the respondents demonstrated an adequate educational background to understand and complete the research questionnaire effectively.

In terms of job position, the majority of respondents were Supervisors, accounting for 91 respondents (60.3%). This was followed by Directors, representing 57 respondents (37.7%), and Assistant Managers, representing 3 respondents (2.0%). This distribution indicates that most respondents occupied supervisory or managerial positions and were therefore directly involved in organizational decision-making and operational management. Consequently, they were considered capable of providing informed and reliable responses regarding the constructs investigated in this study.

Convergent Validity and Reliability Assessment

Convergent validity was evaluated using the Average Variance Extracted (AVE), with a recommended threshold of $AVE \geq 0.50$, while construct reliability was assessed using Cronbach's Alpha and Composite Reliability (CR), with recommended values of 0.70 or higher. The results of the convergent validity and reliability assessment are presented in Table 1.

Table 1 Convergent Validity and Reliability Assessment Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Customer Relationship Management	0.900	0.902	0.919	0.588
Logistics	0.907	0.911	0.926	0.642
Market Orientation	0.900	0.904	0.921	0.625
Market Performance	0.877	0.878	0.907	0.621
Wholesale	0.877	0.886	0.916	0.731

Source: Author's Computation Based on Primary Data (2026)

As presented in Table 1, all constructs satisfied the recommended criteria for convergent validity and internal consistency reliability. The Cronbach's Alpha values ranged from 0.877 to 0.907, exceeding the recommended threshold of 0.70, thereby indicating satisfactory internal consistency across all constructs. Similarly, the Composite Reliability (CR) values ranged from 0.907 to 0.926, confirming that all constructs exhibited strong construct reliability. Furthermore, the Average Variance Extracted (AVE) values ranged from 0.588 to 0.731, all of which exceeded the recommended minimum value of 0.50, demonstrating satisfactory convergent validity.

Specifically, Customer Relationship Management (CRM) achieved a Cronbach's Alpha of 0.900, a Composite Reliability value of 0.919, and an AVE of 0.588. Logistics recorded the highest Composite Reliability (0.926) with an AVE of 0.642, while Market Orientation demonstrated strong internal consistency with a Composite Reliability value of 0.921 and an AVE of 0.625. Market Performance achieved a Composite Reliability value of 0.907 and an AVE of 0.621, whereas Wholesale exhibited the highest AVE (0.731), indicating that the construct explained the largest proportion of variance among its indicators. Overall, these findings confirm that all measurement constructs possess adequate convergent validity and reliability and are therefore suitable for subsequent structural model analysis.

Hypothesis Testing (Path Coefficients – Bootstrapping)

Hypothesis testing was conducted using the bootstrapping procedure in PLS-SEM to evaluate the significance of both direct and indirect (mediating) relationships among the research constructs. A hypothesis was considered

supported when the T-statistic exceeded 1.96 and the p-value was less than 0.05. The results of the hypothesis testing are presented in Table 2

Table 2. Hypothesis Testing Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Conclusion	Description
Market Orientation -> Customer Relationship Management	0,569	9,682	0,000	Significant	H1 Accepted
Wholesale -> Customer Relationship Management	0,092	1,395	0,164	Not Significant	H2 Rejected
Logistik -> Customer Relationship Management	0,178	2,205	0,028	Significant	H3 Accepted
Market Orientation -> Market Performance	0,444	5,034	0,000	Significant	H4 Accepted
Wholesale -> Market Performance	0,061	0,920	0,358	Not Significant	H5 Rejected
Logistik -> Market Performance	0,075	0,888	0,375	Not Significant	H6 Rejected
Customer Relationship Management -> Market Performance	0,337	3,541	0,000	Significant	H7 Accepted

Source: Author's Computation Based on Primary Data (2026).

As presented in Table 2, the bootstrapping analysis was performed to test nine research hypotheses, consisting of seven direct effects and two indirect (mediating) effects. Among the seven direct relationships, four hypotheses were supported, while three hypotheses were not supported. Specifically, Market Orientation had a positive and significant effect on Customer Relationship Management (CRM) ($\beta = 0.569$; $T = 9.682$; $p < 0.001$), Logistics had a positive and significant effect on CRM ($\beta = 0.178$; $T = 2.205$; $p = 0.028$), Market Orientation had a positive and significant effect on Market Performance ($\beta = 0.444$; $T = 5.034$; $p < 0.001$), and CRM had a positive and significant effect on Market Performance ($\beta = 0.337$; $T = 3.541$; $p < 0.001$). Therefore, H1, H3, H4, and H7 were supported. In contrast, Wholesale did not have a significant effect on CRM ($\beta = 0.092$; $T = 1.395$; $p = 0.164$) or Market Performance ($\beta = 0.061$; $T = 0.920$; $p = 0.358$). Likewise, Logistics did not have a significant direct effect on Market Performance ($\beta = 0.075$; $T = 0.888$; $p = 0.375$). Consequently, H2, H5, and H6 were not supported. Regarding the indirect effects, both mediation hypotheses were supported. CRM significantly mediated the relationship between Market Orientation and Market Performance ($\beta = 0.192$; $T = 3.061$; $p = 0.002$), supporting H8. In addition, CRM significantly mediated the relationship between Logistics and Market Performance ($\beta = 0.060$; $T = 1.995$; $p = 0.047$), supporting H9. These findings indicate that CRM serves as an important mediating mechanism through which market orientation and logistics contribute to improved market performance.

DISCUSSION

These findings indicate that the higher the level of market orientation adopted by logistics companies in Batam, the more effective their implementation of Customer Relationship Management (CRM). Organizations with a strong market orientation are more proactive in identifying customer needs and integrating customer-related information into a systematic customer relationship management process. In the B2B logistics industry, a comprehensive understanding of corporate clients' needs encourages organizations to develop well-structured CRM systems that support the establishment and maintenance of long-term business relationships.

These findings are consistent with the study by Fahmi et al. (2025), which reported that market orientation encourages organizations to manage customer relationships more systematically through the effective utilization of customer information and business networks. Similarly, Hendrayati et al. (2025) emphasized that market orientation strengthens CRM practices by enhancing customer value creation. Within Batam's highly competitive logistics ecosystem, an organization's ability to understand market needs, monitor competitors, and coordinate internal organizational functions constitutes the fundamental basis for effective CRM implementation, as proposed by Narver and Slater's Market Orientation Theory (Noya et al., 2025).

These findings suggest that wholesale activities alone are insufficient to strengthen Customer Relationship Management (CRM). Although wholesale businesses focus on maintaining relationships with distributors and business partners, CRM implementation appears to depend more heavily on strategic organizational capabilities, such as market orientation and customer-focused management practices, rather than on wholesale operations themselves. This indicates that companies engaged in wholesale activities do not necessarily develop more effective CRM systems unless they actively integrate customer-oriented strategies into their business processes. These findings differ from those reported by Jamaludin et al. (2022), who argued that supply chain distribution strategies and market orientation encourage organizations to implement CRM practices in order to maintain stable customer relationships. Likewise, Hanaysha and Al-Shaikh (2024) found that market orientation and marketing capabilities within distribution businesses contribute to stronger customer relationships. In the context of Batam's logistics ecosystem, however, wholesale activities appear to function primarily as operational support for product distribution rather than as a strategic driver of customer relationship management. Consequently, the effectiveness of CRM is more likely to be influenced by customer-oriented organizational strategies than by wholesale activities alone.

5. CONCLUSION

This study aims to analyze the influence of market orientation, wholesale activities, and logistics on market performance, with customer relationship management (CRM) serving as a mediating variable, within logistics and wholesale companies in Batam City. The results indicate that market orientation has a positive and significant impact on both CRM and market performance. These findings demonstrate that a company's ability to understand customer needs, monitor competitor developments, and integrate internal cross-functional coordination is crucial for strengthening customer relationships and enhancing market performance.

Furthermore, the wholesale variable did not show a significant influence on either CRM or market performance. This suggests that wholesale activities—which prioritize transaction efficiency and volume distribution—have not yet made a meaningful contribution to strengthening customer relationships or improving market performance. Consequently, a company's success in boosting market performance is not solely determined by its wholesale operations. The study also found that logistics has a positive and significant impact on CRM but does not exert a significant direct influence on market performance. These findings indicate that effective logistics management supports the creation of better customer relationships; however, the benefits of logistics for market performance require the support of adequate customer relationship management mechanisms to achieve an optimal impact.

This study also demonstrates that CRM mediates the impact of market orientation on market performance, as well as the impact of logistics on market performance. These findings indicate that CRM serves as a strategic mechanism linking a firm's ability to understand the market and manage logistics activities to the achievement of superior market performance. In other words, the benefits of market orientation and logistics capabilities are maximized when integrated with effective CRM practices.

REFERENCES

1. Batam, B. P. S. K. (2024). *BPS kota Batam 2024*.
2. Alqershi, N., Sanuri, S., Mokhtar, M., & Abas, Z. Bin. (2020). Innovative crm and performance of smes : the moderating role of relational capital. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 155. <https://doi.org/10.3390/joitmc6040155>
3. Bulti, D. (2022). The effect of customer relationship management on market performance of selected private banks in nekemte town. *European Journal of Business and Management*, 14(1), 55–60. <https://doi.org/10.7176/ejbm/14-1-04>
4. Dahmiri, D., Junaidi, J., Johannes, J., Yacob, S., & Indrawijaya, S. (2024). the impact of market orientation on marketing performance: exploring the moderating role of competitive advantage. *Business: Theory and Practice*, 25(1), 164–174. <https://doi.org/10.3846/btp.2024.20174>
5. Fahmi, M., Prayogi, M. A., Lesmana, M. T., Kencana, M. C., & Syahnita. (2025). Business network accessibility: innovation capability as a connecting factor between customer relationship management and market orientation on smes' performance. *Innovative Marketing*, 21(2), 40–56. [https://doi.org/10.21511/im.21\(2\).2025.04](https://doi.org/10.21511/im.21(2).2025.04)
6. Hanaysha, J. R., & Al-Shaikh, M. E. (2024). Impact of entrepreneurial orientation, marketing capability, and market orientation on business sustainability and corporate reputation. *Discover Sustainability*, 5(1). <https://doi.org/10.1007/s43621-024-00401-4>

7. Hasan, G., Lim, J., Fernandes, N., Raymond, R., & Eddison, T. (2023). Analisa penerapan manajemen hubungan pelanggan pada umkm mm. Gemini di kota batam. *Jurnal Minfo Polgan*, 12(1), 747–752. <https://doi.org/10.33395/jmp.v12i1.12506>
8. Hasan, G., Samuel, Y. S., Cinthya, L., Rusyen, K., Martasya, Prastama, R., & Tjoa, K. (2023). Pengaruh customer relationship management terhadap kepuasan pelanggan umkm kole-koleh anggraini pada masa pandemi. *Jurnal Mirai Management*, 8(2), 241–248. <https://www.journal.stieamkop.ac.id/index.php/mirai/article/view/466>
9. Hasdiansa, I. W., Farhan, A., Aswar, N. F., Amalia, R., Ekonomi, F., Studi, P., Digital, B., & Megarezky, U. (2024). Pelatihan pengolahan data statistik dalam penelitian bisnis menggunakan aplikasi smartpls. *ININNAWA: Jurnal Pengabdian Masyarakat*, 02(02), 240–250.
10. Hendrayati, H., Marimon, F., Hwang, W. Y., Yuliawati, T., Susanto, P., & Rahmiati, R. (2025). Customer relationship management and value creation as key mediators of female-owned MSMEs' market performance. *Journal of Innovation and Entrepreneurship*, 14(1). <https://doi.org/10.1186/s13731-025-00520-w>
11. Jamaludin, M., Busthomi, H., Gantika, S., Rosid, A., Sunarya, E., & Nur, T. (2022). Market orientation and SCM strategy on SME organizational performances: the mediating effect of market performance. *Cogent Economics and Finance*, 10(1). <https://doi.org/10.1080/23322039.2022.2157117>
12. Jha, R. K., & Sarabhai, D. S. (2024). Influence of entrepreneurial orientation on brand performance and market performance: moderating role of corporate image. *Educational Administration Theory and Practices*, 30(5), 2435–2443. <https://doi.org/10.53555/kuey.v30i5.3300>
13. Karnowati, N. B., Suwandari, L., Prakoso, F. A., & Apriandi, D. W. (2023). Achieving marketing performance through orientation innovation and entrepreneurial orientation. *Jurnal Manajemen Bisnis*, 14(2). <https://doi.org/10.18196/mb.v14i2.19086>
14. Kumar, P., Dwivedi, Y. K., & Anand, A. (2023). Responsible artificial intelligence (AI) for value formation and market performance in healthcare : the mediating role of patient ' s cognitive engagement. *Information Systems Frontiers*, 25, 2197–2220.
15. Maulana P, D., Primadi, A., & Tohir, M. (2023). Analisis pengaruh penerapan manajemen logistik, kualitas pelayanan dan kecepatan pengiriman dalam mendukung efisiensi biaya logistik. *Jurnal Pendidikan Siber Nusantara*, 1(4), 173–179. <https://doi.org/10.38035/jpsn.v1i4.219>
16. Muhammad Zidhan Augestri, Achmad Fauzi, Aqila Naima Khairunnisa, Dyah Ayu Siti Sundari, Revi Arnan, & Yeremia Todo Sihombing. (2025). Penerapan teknologi IoT dalam optimalisasi rantai pasok industri logistik. *Jurnal Manajemen Dan Pemasaran Digital*, 3(2), 158–173. <https://doi.org/10.38035/jmpd.v3i2.388>
17. Noya, S., Taneo, S. Y. M., & Melany. (2025). The impact of export market orientation on SME market performance: Exploring the moderating effect of government policy and the mediating effect of information access. *Problems and Perspectives in Management*, 23(1), 146–157. [https://doi.org/10.21511/ppm.23\(1\).2025.11](https://doi.org/10.21511/ppm.23(1).2025.11)
18. Oktavia, S. (2023). Peran teknologi dalam meningkatkan efisiensi operasional perusahaan logistik. *Journal Central Publisher*, 1(9), 1049–1056.
19. Riyadi, S., Tjendani, H. T., & Wulandari, E. (2025). Analysis of the Influence of the Wholesale Wage System on Labor Motivation on the Construction of Vocational School Buildings in Caruban District , Madiun Regency. *Asian Journal of Engineering, Social and Health*, 4(7), 1151–1165.
20. Schulze, A., Townsend, J. D., & Talay, M. B. (2022). Completing the market orientation matrix: The impact of proactive competitor orientation on innovation and firm performance. *Industrial Marketing Management*, 103(April 2021), 198–214. <https://doi.org/10.1016/j.indmarman.2022.03.013>
21. Sutrisno, N., Tuasikal, H., Maulana, M. R., & Distribusi, K. (2023). Pengaruh evaluasi manajemen logistik terhadap kinerja distribusi pt . Tempo logistik kabupaten bekasi. *Kendali: Economics and Social Humanities*, 2(1). <https://doi.org/10.58738/kendali.v2i1.200>
22. Tochukwu Ignatius Ijomah, Uloma Stella Nwabekee, Edith Ebele Agu, & Oluwatosin Yetunde Abdul-Azeez. (2024). The impact of customer relationship management (CRM) tools on sales growth and customer loyalty in emerging markets. *International Journal of Management & Entrepreneurship Research*, 6(9), 2964–2988. <https://doi.org/10.51594/ijmer.v6i9.1533>
23. Wu, S., Luo, Y., Zhang, H., & Cheng, P. (2024). Heliyon entrepreneurial bricolage and entrepreneurial performance : the role of business model innovation and market orientation. *Heliyon*, 10(4), e26600. <https://doi.org/10.1016/j.heliyon.2024.e26600>

