



Product innovation agility on business performance: The role of market and learning orientation

Agilidad de innovación de productos en el rendimiento empresarial: el papel del mercado y la orientación al aprendizaje

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Abstract

This paper aims to investigate the effect of market orientation (MO), product innovation agility (PIA) and Learning orientation (LO) on business performance (BP). Data were collected from 205 creative industries in Indonesia and were analyzed by using Structural Equation Modeling (SEM). The result shows that market orientation, product innovation agility and learning orientation affect business performance. Furthermore, product innovation agility mediates the correlation of market orientation and learning orientation on business performance. This paper contributes to solve the results of previous studies on the relationship between market orientation, learning orientation and business performance.

JEL code: M31, L25

Keywords: Market orientation; Learning orientation; Product innovation agility; Business performance

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Resumen

Este documento tiene como objetivo investigar el efecto de la orientación al mercado (MO), la agilidad de innovación de productos (PIA) y la orientación al aprendizaje (LO) sobre el rendimiento empresarial (BP). Se recopilaron datos de 205 industrias creativas en Indonesia y se analizaron mediante el modelo de ecuaciones estructurales (SEM). El resultado muestra que la orientación al mercado, la agilidad en la innovación de productos y la orientación al aprendizaje afectan el desempeño empresarial. Además, la agilidad de la innovación de productos media la correlación de la orientación al mercado y la orientación al aprendizaje en el desempeño empresarial. Este artículo contribuye a resolver los resultados de estudios previos sobre la relación entre orientación al mercado, orientación al aprendizaje y desempeño empresarial.

Código JEL: M31, L25

Palabras clave: Orientación del mercado; Orientación al aprendizaje; Agilidad de innovación de productos; El rendimiento del negocio

Introduction

The creative industries significantly contribute to economic development, especially in providing jobs and increasing people's salary. The creative industries development needs support and guidance to compete in the global market. With various limitations, they should innovate and have learning oriented in this dynamic environment. Creativity and innovation are indispensable for creative industries to grow and develop. Good creative industry players include of individuals who have ability to take on challenges, have a strong desire to achieve business goals (Abi and Abdul, 2011).

The role of market orientation and learning orientation require innovation agility to improve business performance. Creativity and agility of product innovation in finding the new, unique and different ideas are needed to compete in market. Market orientation is a company resource that can lead organizations to create sustainable competitive advantage. It involves customers, competitors and internal coordination among its functions. Marketing activities on market orientation should understand the organizational culture of the company in order to get support from the organization members in preparing the company's strategy. Mar-

ket-oriented business activities can enhance innovation and business performance (Suliyanto, 2012). Learning orientation is one of the strategies for strengthening innovation and as an open mindset that encourages business performance improvement (Martinette et al, 2012).

The dynamics of competition increase tightly so that creativity and innovation are needed to adjust to environmental changes. Market learning orientation in creative industry becomes a necessity and should be done with a strong commitment to achieve the vision and goals. Learning orientation and continuous product innovation for the creative industry are needed to compete and improve performance in adapting to the global markets.

Some previous studies showed inconsistent results. Market orientation can improve business performance (Kohli, 1993; Takata, 2016; Zainul & Utami, 2016; Kaswuri, 2016; Masa'deh et al., 2018; Herman & Arafah, 2018; Bhattarai & Tasavori, 2019). Other studies showed that market orientation is not able to improve business performance (Keskin, 2006; Mahmoud et al., 2016; Solano & Collado, 2018; Idrus & Abdussakir, 2018). Likewise, proactive market orientation cannot improve business performance while responsive market orientation can improve business performance (Kocak & Oflazoglu, 2017). The dimensions of market orientation, namely customer orientation and competitor orientation have no effect on business performance while inter-functional coordination has an effect on business performance (Migdadi et al., 2017). Customer orientation and competitor orientation can improve business performance, while interfunctional coordination is not able to improve business performance (Ansah & Chinomona, 2017).

Study show that learning orientation can improve business performance (Aloulou, 2018). Learning orientation can encourage organizational performance, such as the speed of shipping of goods, cost efficiency, quality of trust and future performance of the company (Tajeddini, 2016). Other studies show different results, learning orientation is not able to improve business performance (Dutta et al., 2017; Ebrahimi et al., 2018). Several studies on innovation have been carried out by previous researchers, for example, product innovation and environmentally friendly processes (Chang, 2011), process innovation and product innovation (Shu and Xiao, 2016), incremental and radical innovation (Kocak et al., 2017), exploratory and exploitative innovation (Wagner et al., 2018). In this study, it focuses on product innovation agility.

The purpose of this study is to examine the influence of market orientation, product innovation agility, learning orientation on performance. It is important to conduct this research because the gap from the results of previous studies could be solved. Furthermore, the result of this study is expected to contribute the development of creative industries in facing the tight competition in the global market.

Literature Review

Business Performance

Venkatraman (1986) stated that the Concept of measuring business performance using a variety of schemes has advantages and limitations so that business performance measurement can adopt the most appropriate approach. Sin & Lee (2002) used indicators of customer retention, sales growth, market, return on investment and overall performance to measure business performance. Furthermore, Nwokah & Maclayton (2006) stated that business performance can be measured through indicators of corporate profits, market share and sales growth achieved by the company. Sin & Tse (2006) describe the way to measure business performance through aspects such as sales growth, customer retention, return on investment (ROI), market share, trust, customer satisfaction, and sales return.

Business performance is a combination of financial and marketing performance (Sulistyo & Siyatinah, 2016; Jaakkol et al., 2010; Jogaratnam, 2017). Market performance describes efforts to increase market share and sales volume, while financial performance describes financial measures, such as profit margins, return on investment that has been achieved. Sharabati et al (2010), business performance can be measured through profitability, productivity and market valuation. Najib & Kiminami (2011), explained that sales volume, profitability and market share are indicators for measuring business performance. Furthermore, Nuryakin et al. (2018) stated that business performance is a result of the organization's operational activities which include the achievement of internal and external results. Business performance was measured through the performance of sales volume, sales growth, profitability and market share. This business performance study is measured through return on assets, growth profit, sales growth, and market share growth.

Market Orientation

Slater & Narver (1990) explained that market orientation was identified into three components: customer orientation, competitor orientation and inter-functional coordination. Customer orientation is expected to understand the target buyer timely to create superior value. Competitor orientation aims to get information on the main competitors and potential competitors and understand the strengths and weaknesses of competitors in the short and long term. Inter-functional coordination is used in order the human resources can be well coordinated to create superior value for the target market.

Kohli and Jaworski (1993) defines market orientation as the construction of three components of activity, including generational intelligence, market intelligence dissemination and organizations responsive to disseminated intelligence. Furthermore, market orientation will gain market knowledge and respond as quickly as possible so that it can create a good performance for the company. Wan & Muhammad (2013) explained that market orientation is a dynamic component and can improve company performance. Kocak et al., (2017) states that market orientation can be responsive and proactive as an antecedent of business performance.

Learning Orientation

Huber (1991) explained that learning orientation is the development of new knowledge that will have an impact on values and beliefs. Sinkula & Baker (1997), learning orientation is a concept that involves organizational values so that they tend to create new knowledge. Learning orientation can be measured through three dimensions: commitment to learning, open-mindedness and shared vision (Sinkula & Baker, 1997), define learning orientation as an organizational activity to develop and increase knowledge in order to create competitive advantage and can improve company's innovativeness. Martinette (2006) explained that learning orientation is done with a strong commitment that will make it easier to achieve the vision and goals as well as improve business performance. Tajeddini (2016) states that learning orientation is the ability and willingness to continue learning which can increase trust, cooperation, and cost efficiency for the company.

Product innovation agility

Raschke & David, (2005) said that agility is a dynamic ability to modify and reconfigure business processes that are selected from a series of business process capabilities to accommodate the needs and potential of the company. David et al. (2016) explained that agility is the capacity of an organization to efficiently and effectively direct human resources to create and protect the value obtained in the face of environmental changes. Holbeche (2018) defines agility as the ability of organizations to respond and adapt quickly to environmental changes. Furthermore, the main principles of agility are the focus of a strong future, anticipation, and response to trends and threats, collaboration with customers, innovation, and empowerment. Agility needs change that must be supported by all parties so that the continuity of learning is needed (Holbeche, 2018). According to Kuncoro & Suriani (2018), product innovation is the overall operation of the company to create new products including all processes carried

out. In this study, product innovation agility is the organization's ability to product innovation effectively and efficiently to respond the environmental changes.

Hypotheses development and empirical research model

Market Orientation and Product Innovation Agility

Agility becomes as a key to develop new products in order to be able to meet market needs (Schuh et al., 2017) and agility has a strong relationship with radical product innovation (Oliveira, 2017). Likewise, proactive market orientation can encourage the creation of radical innovation (Kocak et al., 2017) and improve innovation capabilities (Lakshman & Adhikari, 2017). Studies show that market orientation can improve innovation (Suliyanto, 2012; Remli & Muhammad, 2013). In small and medium enterprises, the high market orientation will improve the product innovation, process innovation, market innovation and management innovation. Companies that try to understand the market will be encouraged to meet product needs according to customer desires so that they are motivated to increase product innovation capabilities. Customer orientation policy by understanding customer expectations and feedback can drive the organization's speed and agility to innovate new products (Elkareem et al, 2011). Therefore, in an effort to meet product needs based on customer expectations better, understanding competitors and inter-functional coordination are likely to encourage product innovation agility.

H1: Market orientation significantly affects product innovation agility.

Learning orientation and product innovation agility

Learning orientation is related to innovation that can be implemented in the form of ideas, processes, products, and services (Day, 1994). Learning orientation can improve company's innovativeness (Mahmoud, 2016). Companies that have a commitment to market learning orientation will be motivated to realize product innovation capability. All learning orientation activities will contribute to improve product innovation capabilities. Learning orientation can enhance experience and knowledge so that it can increase the agility of new product innovations (Elkareem et al, 2011). Learning orientation encourages the success of corporate innovation (Mahto et al., 2018) and has an effect on improving product quality, production flexibility and speed of new product promotion (Huang & Li, 2017). The ability to learn from

experience and failure can affect innovation agility (Carmeli & Dothan, 2017). Therefore, the willingness to learn and gain new knowledge in realizing product innovation based on market needs will encourage product innovation agility.

H2: Learning orientation significantly affects product innovation agility.

Market orientation and business performance

The relationship between market orientation and business performance has been done in some studies. Studies show that market orientation can positively improve company performance (Kohli & Kumar, 1993; Takata, 2016; Zainul et al., 2016; Kaswuri et al., 2016; Nikraftar & Momeni, 2017; Ho, Nguyen et al., 2018; Bhattarai et al., 2019; Musa et al., 2019; Fernandes et al., 2019). Market orientation is also a determinant of the business performance of women entrepreneurs (Aliyu & Nordin, 2019). Market orientation contributes to improve business performance when facing turbulent environmental changes (Bereket, 2017) and it is the antecedents of marketing performance and financial performance (Tajeddini & Ratten, 2017). Likewise, responsive market orientation can improve company performance (Kocak et al., 2017). Therefore, companies that are able to develop marketing programs well through customer orientation, competitor orientation and inter-functional coordination, can improve business performance.

H3: Market orientation significantly affects business performance

Learning orientation and business performance

Studies show that learning orientation can improve business performance (Aloulou, 2018; Nikraftar & Momeni, 2017). Effective learning orientation can improve financial performance (Chen & Wey, 2017) and encourage better organizational performance in terms of speed of product delivery, cost efficiency, quality of trust and future performance (Tajeddini, 2016). Learning orientation can improve company performance (Dutta et al., 2016; Tajeddini, 2016) and can improve the new products performance (Li, 2017). Learning orientation and innovation must be encouraged in order to improve the better performance. A high level of learning orientation and innovation will encourage organization's quality, cost efficiency and confidence in high performance (Tajeddini, 2016). Therefore, market learning orientation in a company can improve business performance. Likewise, company activities market-oriented

will encourage learning organizations that are always based on market-oriented so that they have an impact on business performance.

H4: Learning orientation significantly affects business performance.

Product innovation agility and business performance

Product innovation is one determinant of business performance (Mahmud & Hasyim, 2018; Herman et al., 2018). The speed of product innovation will affect the success of the product in the market and have an impact on improving the company performance, such as the growth of market share, sales, and profits (Mitrega et al., 2017). Product innovation by continually improving product quality, introducing new products, developing new markets, and using new technologies can encourage increased company performance (Mitrega et al., 2017). Studies show that radical innovation also affect business performance (Kocak et al., 2017). Agility has a strong relationship with radical product innovation, which has an impact on improving business performance (Oliveira, 2017). Agility allows the work team to quickly create and communicate decisions on developing new products (Rebentisch et al., 2018). Likewise, organizational agility has a strong influence on company performance (Ravichandran, 2018). The better innovation capability (new product, process, management and marketing) undertaken by small and medium enterprises will make the better company performance (Sulistyo & Siyamtinah, 2016). Agility will be able to improve market performance when decision makers have market skills, experience, and learning orientation (Nemkova, 2017). Therefore, product innovation agility based on market needs allows an increase in business performance.

H5: Product innovation agility significantly affects business performance

The mediation role of product innovation agility

Agility is an approach to manage and provide a fast and reconfiguring system to deal with rapid environmental changes (Bernardes & Hanna, 2009). Organizational culture in customer orientation by understanding customer expectations and feedback can drive the organization's speed and agility to innovate new products. Furthermore, learning orientation enhances experience and knowledge and increases the agility of new product innovations (Elkareem

et al., 2011) and organizational agility will determine the quality of the decisions that are determined (Kock & Gem, 2016). Agility allows the work team to take decisions quickly on developing new products and the efficiency of the completion of new products (Rebentisch et al., 2018). The higher the agility, the faster the radical product innovation and it will impact on improving business performance (Oliveira, 2017).

Agility needs the support of all parties to create better changes so that continuous learning orientation is needed (Holbeche, 2018). Agility will be able to improve market performance when decision makers have marketable skills, experience, learning orientation (Nemkova, 2017). Furthermore, when the organization has agility, it will encourage the increased of market performance. According to Tajeddini (2016), organizations that are open to find new ideas, products and process innovation with new technologies, can improve business performance. Dynamic environmental changes determine the adaptive agility so that it affects the company's performance. Therefore, the company's speed in meeting product needs that is suitable for customer expectation requires product innovation agility, so that it will impact on business performance. Besides that, learning orientation that is directed to gain new product knowledge that is suitable with customer expectations will encourage product innovation agility, thus it also impacts business performance.

H6: Product innovation agility mediates the relationship between market orientation and business performance.

H7: Product innovation agility mediates the relationship between learning orientation and business performance.

Methodology

Research Framework

The object of this research is the fashion creative industries in Central Java, Indonesia. This research was conducted on since February to April 2018. The analysis unit of this research is the managers or owners of the creative industry. The researchers consider that the managers or owners have experiences in managing business and have outlook and ethics in the importance of market orientation, learning orientation, and also product innovation agility which becomes an effort to improve higher business performance.

Variable definition and measurement

To test the proposed hypothesis, a questionnaire that has good validity content is needed. The questionnaire built will be used to test market orientation, learning orientation, product innovation agility, and business performance. Primary data and secondary data were used in this study. Primary data is obtained through questionnaires and face-to-face interviews. Primary data which is obtained through questionnaires will be tested for validity and reliability to ensure good validity and consistency of all instruments. The distribution of questionnaires was carried out to get responses from creative industry owners or managers from 5 districts/cities in Central Java.

Furthermore, face-to-face interviews with managers or owners are also carried out to check the accuracy of information, validate results and develop an understanding of the questionnaire. In-depth interviews and questionnaires collected will be used to measure market orientation, learning orientation, product innovation agility, and business performance. All constructs of 5-point Likert scale is ranked from “strongly disagree” (1) to “strongly agree” (5). Operational definition of each variables are as follows:

Market Orientation. Market orientation is an organizational culture that has confidence and values that put customers in the center of business decisions, and measured through 9 indicators adopted from (Asikhia, 2014), they are: value added for consumers, understanding consumer needs, customer satisfaction, information sharing competitors, competitor action responses, competitor strategy responses, inter functional coordination, information sharing among parts, and cooperation formulate strategies.

Product Innovation Agility. Product innovation agility is the ability of an organization to innovate products effectively and efficiently to respond the environmental changes, which is measured by 4 indicators adopted from (Elkareem et al., 2011), they are: products based on customer needs, develop and market products flexibly, develop products based on customer tastes, ability to change products on demand.

Learning Orientation. Learning orientation is the company ability to improve employees' capability and build their confidence to adapt with the market environment changes which is measured by 4 indicators developed by (Suliyanto and Rahab, 2012), they are: improve the ability of marketing employees, improve the skills of marketing employees, develop trust among marketing employees, think the market environment changes.

Business Performance. Business performance is the ability to dominate the market and focus on its goal marketing and financial. It is measured by 4 indicators adopted from (Wingwon, 2012; Karacaoglu et al. 2013), they are: return on assets, profit growth, sales growth, market share growth.

Research sample

Data collection through face-to-face interviews and questionnaires was conducted. This study uses market orientation variables, learning orientation, product innovation agility, and business performance. Respondents selected were 376 managers or creative industry owners in Central Java, Indonesia. Questionnaires collected and filled as much as 265 of the total respondents. The total of unfilled questionnaires was 44 respondents, so the data processed was 221 respondents. During the data processing, there are still 16 data that are extreme and inappropriate to use. The total sample of this study was 205 respondents or 54.5% of the total respondents. Data is collected from 5 districts/cities representing creative industry owners or managers in Central Java, Indonesia.

Data analysis and measurement model

The SEM approach has been used to process the data in order to test the hypotheses. SEM is used to examine the relationship between market orientation, learning orientation, product innovation agility, and business performance. Data analysis using SEM consists of two types of variables, namely latent variables and observed/manifest. The latent variable cannot be observed directly but it is observed through an indicator that is reflected in the construct that is developed when the observed variable can be observed directly. Model match evaluation with Confirmatory Factor Analysis is in table 1.

In table 1, all constructs have good reliability, this shows there is internal consistency. It means that the construct latent can be measured consistently through all indicators (Hair et al, 2010). Reliability (CR) is more than 0.6, Variance Extracted (VE) is more than 0.5, and this is in accordance with the internal consistency standard of the measured indicator. Table 2 shows CR value is more than 0.7, VE is more than 0.7, for market orientation, learning orientation, product innovation agility, and business performance.

Table 1
 Confirmatory Factor Analysis Result for the Measurement Model

Indicator	Loading factor	p-value
Market Orientation:		
The company creates value-added of products for consumers as always	.691	0.000
The company is trying to understand consumer needs	.785	0.000
The company makes every effort to provide customer satisfaction	.745	0.000
The seller explores about the competitor information	.753	0.000
The company responds quickly to the actions of competitors	.817	0.000
The company always responds to the competitors' strategies	.771	0.000
There is coordination among subordinates in the company	.832	0.000
Information sharing among subordinates is required by the company	.813	0.000
There is cooperation among subordinates to formulate marketing strategy	.790	0.000
Product Innovation agility:		
The company adapts its products based on the customer needs.	.881	0.000
The company has flexible capabilities that can develop and deliver different products	.897	0.000
The company develops its products based on the customers tastes	.884	0.000
The organization has the ability to change the size of its products in accordance with the increase or decrease in demand	.736	0.000
Learning Orientation:		
The company has efforts to improve the employee's ability	.822	0.000
The company has efforts to improve the employee's skills	.853	0.000
The company has efforts to develop trust among the employees	.888	0.000
The company encourages the employees to think about the changes	.765	0.000
Business Performance:		
Return on Asset (ROA) in my business has increased over the years	.806	0.000
My business profit grows over the years	.776	0.000
Sales increased over the years	.743	0.000
My market share increased over the years	.743	0.000
X ² = 211.278; DF= 180 ; Probability=0.055; GFI=0.914; AGFI=0.899 TLI=0.988; CFI=0.989; RMSEA=0.029		

Source: data was calculated by SEM

Table 2
 Construct Reliability, Correlation and AVE

N = 205	1	2	3	4
Market Orientation	0.932			
Learning Orientation		0.625		
			0.893	
Product Innovation Agility	0.567	0.504	0.913	
Business Performance	0.685	0.643	0.675	0.851
AVERAGE Variance Extracted (AVE)	0.607	0.719	0.726	0.589

Source: data was calculated by SEM

Results

The results of the initial structural model test before there is a mediating variable, it indicates a good Goodness-of-Fit index. The value of $\chi^2 = 207,944$ is not significant at $\alpha 0.05$, the GFI index is 0.91; AGFI 0.89; TLI 0.99; CFI 0.99; RMSEA 0.02 <0.08 and CMIN / DF 1.13 <2.00, all values are in accordance with the criteria recommended by SEM.

Table 3 and Figure 1 show the direct effect of MO on BP (Std $\beta = 0.314$, CR = 3.816, $p < 0.01$); LO to BP (Std $b = 0.262$, CR = 3.312, $P < 0.01$) and PIA to BP (Std $b = 0.374$, CR = 4.982, $P < 0.01$). It can be concluded that MO, LO and PIA partially have a significant effect on BP.

Table 3

Direct effect of MO, LO, PIA on BP

Effect	Std β	SE β	C.R.
MO -> BP	.314	.086	3.816*
LO -> BP	.262	.092	3.312*
PIA ->BP	.374	.073	4.982*

Note: * < 0.01

Source: data was calculated by SEM

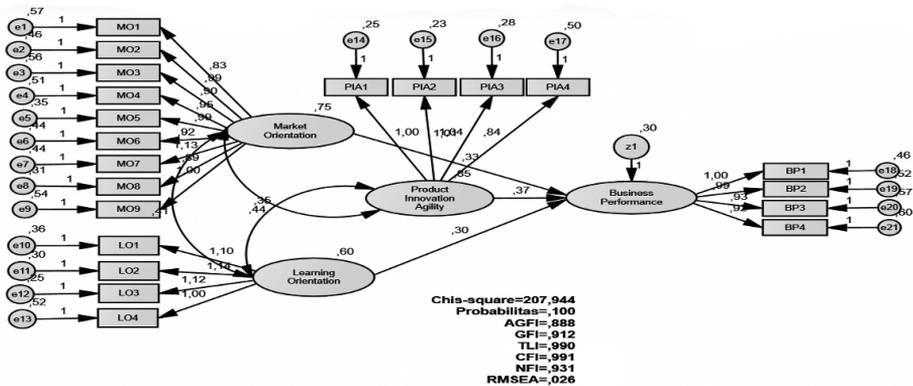


Figure 1. Initial structural model
 Source: data was calculated by SEM

The results of the final structural model after there is mediating variables show a good Goodness-of-Fit index and are in accordance with the criteria recommended by SEM. The value of $\chi^2 = 211.278$ shows no significant at $\alpha 0.05$, GFI index 0.94; AGFI 0.89; TLI 0.98; CFI 0.98, so all values ≥ 0.90 except AGFI 0.89. Furthermore, RMSEA .029 is smaller than 0.08 and CMIN / DF 1,174 is smaller than 2,00, so that all values are in accordance with the recommended SEM. Therefore, the fits or proper model is used to test the relationship among variables in this study.

Table 4

Parameter estimation of the path: direct and indirect effects

Effect	Std β	SE β	C.R.
H1 : MO ->PIA	.540	.118	4.558*
H2 : LO-> PIA	.265	.094	2.831*
H3 : MO -> BP	.398	.107	3.709*
H4 : LO -> BP	.277	.083	3.350*
H5 : PIA -> BP	.355	.072	4.925*
H6 : MO -> PIA -> BP	.191	.000	3.354*
H7 : LO -> PIA -> BP	.094	.007	2.447*

Note: * $p < 0.01$

Source: data was calculated by SEM

Table 4 and Figure 2 show a significant positive direct effect between MO and PIA (Std $\beta = .540$, CR = 4.558, $p < 0.01$), between LO and PIA (Std $\beta = .265$, CR = 2.831, $p < 0.01$), between LO and BP (Std $\beta = .398$, CR = 3.709, $p < 0.01$), between PIA and BP (Std $\beta = .227$, CR = 3.335, $P < 0.01$), between PIA and BP (Std $\beta = .355$, CR = 4.925, $P < 0.01$). This result is indicated that H1, H2, H3, H4, H5 are accepted.

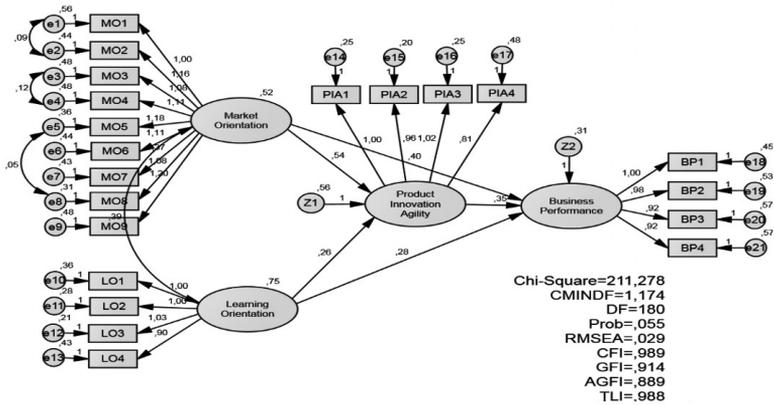


Figure 2. Final structural model

Source: data was calculated by SEM

PIA test becomes a mediating variable between MO and BP, the Sobel test approach (1982) is used. The result of the Sobel test is shown 3,354 ($p < 0.01$), PIA is able to mediate the relationship between MO and BP, so H6 is accepted. The total indirect effect is 0.895 ($0.540 + 0.355$) greater than the direct effect of 0.398, so PIA has an important role in partially mediating the relationship between MO and BP. Furthermore, the result of the PIA test as a mediating variable between LO and BP indicated the Sobel test of 2,447 ($P < 0.01$), PIA was able to mediate the relationship between LO and BP so that H7 was accepted. The total indirect effect is 0.620 ($0.265 + 0.355$) greater than the direct effect of 0.227, so PIA has an important role in partially mediating the relationship between LO and BP. Thus, PIA has a big role in mediating the relationship between MO and LO on BP.

Discussion

Market orientation significantly affects product innovation agility. The culture to understand the needs and desires of customers encourage creative industry to learn so that it has effect on product innovation agility. The strong organizational culture to have confidence and value that puts customers in every business decision will encourage creative industry players to develop product innovation agility based on customer expectations. The market orientation which becomes a business decision is realized in the form of value added for the consumer, understanding the needs of the consumers, providing satisfaction for the consumer, sharing of competitor information, the fast response of the competitors' actions and the competitor's strategy, coordinating among internal functions, always sharing information among teams

and building cooperation to formulate the strategies. The ability of companies to understand customers, competitors, and inter-functional coordination will encourage companies to develop products according to customer needs and be flexible in production according to market demand. Market orientation also encourages companies to always adapt to customer needs and be flexible to develop unique products and different from competitors. The results of this study support the previous research which states that customer orientation by understanding customer expectations and feedback can drive the organization's speed and agility to innovate new products (Elkareem et al., 2011). Similarly, agility becomes as a key to develop new products to be able to meet market needs (Schuh et al., 2017) these processes pursue the target of limiting both time-to-market and resources associated with the realisation of innovative products. In the case of physical products, agile development in the form of highly iterative prototyping is further more employed for assuring a stable ramp-up phase. The goal of this paper is the creation of an adaptive engineering change management (ECM).

Learning orientation significantly affects product innovation agility. Learning orientation that is directed at strengthening employee skills to develop unique and different products requires agility to innovate products according to customer needs. Likewise, high trust among employees to always think a change will drive the speed of product innovation according to market needs. The results of the study are in accordance with the opinion that learning orientation improves innovation capabilities that can be implemented in the form of ideas, processes, products and services (Day, 1994), and learning orientation can improve company's innovativeness (Mahmoud, 2016). The commitment to learn the importance of market orientation is necessary for the organization to develop the product innovation agility. The result of this study supports the previous research conducted by (Elkareem et al., 2011), it is stated that learning orientation can enhance experience and knowledge to increase the agility of new product innovations.

Market orientation significantly affects business performance. This result study is in line with the findings of the previous research which states that market orientation can improve business performance (Nikraftar & Momeni, 2017; Ho et al., 2018; Masa'deh et al., 2018 technology orientation entrepreneurial orientation; Bhattarai et al., 2019; Musa et al., 2019). Creative industry players should consider every business decision to be market-oriented. The policy is taken in the form of consumer orientation in the form of value-added for consumers, understanding the needs of consumers, providing satisfaction for consumers. Furthermore, competitor-oriented should also be considered in the form of competitor information sharing, quick response of competitors' actions and competitor strategies, as well as inter functional coordination (inter-functional coordination, sharing information among teams and formulating cooperation strategies).

Product innovation agility significantly affects business performance. The ability of companies to develop products according to their needs and provide more value for customers will expand market share. In addition, the company also has the ability to regulate the amount of production according to market demand so as to create cost efficiency and have an impact on increasing company profits. This findings support the assertion that agility will be able to improve market performance when decision makers have market skills, experience, learning orientation (Nemkova, 2017), and product innovation capability will be able to improve company's performance (Sulistyo & Siyamtinah, 2016). Likewise, organizational agility has a strong influence on company performance (Ravichandran, 2018). The capabilities of innovation taken by creative industry actors are outlined in the form of introduction of new products, application of new technology products, product differentiation, market entry with new products, which can boost both sales and profit and increase return on assets. The result of this study support the finding of the better product design can increase sales growth, as conducted by (Dirisu, 2013).

Learning orientation significantly affects business performance. The result support the previous finding that states that learning orientation with a strong commitment lead to achieve the vision and goals as well as improve business performance (Martinette, 2006). Learning orientation can improve business performance (Aloulou, 2018). The commitment to learn importance of market orientation is necessary for the organization to gain insight about the market, customers, and competitors. Business decision can be described in the increased employees' skill, developing trust among employees and always thinking about the changes in the face of competition. The result of this study also indicates that market learning orientation play a mediator role between market orientation and business performance. The culture to understand the needs and desires of customers encourage creative industry players to learn so that it has an effect on business performance.

Conclusion

The result shows the importance of market orientation to improve the creative industry performance in Indonesia. The organizational culture has the confidence and value that puts customers on every business decision. It encourages the creative industry to improve the product innovation agility based on the customers' expectation. Learning based on market-oriented is essential to enhance the organizational ability in order to gain market knowledge, customers and competitors. Decision making in market-oriented business leads the product innovation agility and learning orientation and enhance the performance of creative industry.

In managerial implication, the performance of the creative industry can be improved through marketing programs that is market-oriented. Market-oriented in marketing policy can be done by knowing the customer orientation, competitor orientation and inter functional coordination in accordance with environmental dynamics. Creativity is needed by the creative industry to improve product innovation agility according to market requirement. Improving the commitment to learn can gain knowledge of markets, customers and competitors. The theoretical implication of this research is that the performance of creative industry can be improved by developing market-oriented program, product innovation agility and learning orientation simultaneously. The role of market orientation and learning orientation in improving business performance will be more effective if it is done indirectly through product innovation agility.

Limitation and Future Research

The finding of this study is expected to contribute in the development of science, especially management science. The limitation of this research focuses only on the creative industry of fashion sector with a relatively small sample size and does not separate the scale of micro, small and medium enterprises. Leaders or managers of creative industries have different abilities in developing their business. They also have different views and behaviors towards the willingness to learn and understand market changes. Future research can be applied to the business sector with a larger scale and wider geographical area.

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