

CHAPTER 4

RESULT AND DISCUSSION

4.1. Company Profile

PT. United Tractors (UT / Company) is one of the largest and well-known heavy equipment agents in Indonesia that facilitates various products of world-renowned brands, namely Komatsu, UD Trucks, Scania, Bomag, Tadano, and Komatsu Forest. On October 13, 1972 PT. United Tractors was officially established. And in that year the company began to conduct initial stock offerings on the stock exchange in Jakarta and Surabaya. Then on September 19, 1989 using the name PT United Tractors Tbk (UNTR), until the largest shareholder, namely with PT. Astra International Tbk. (Unitedtractors.com).

Until now, PT United Tractors' network has reached 19 branch offices, 22 supporting offices, and 11 representative offices throughout the country, one of which is located in the South Kalimantan region is Banjarmasin City. Not content to only be the largest heavy equipment distributor in Indonesia, the Company also plays an active role in the field of mining contractors and has recently started a coal mining business. UT runs its various businesses through three business units, namely Construction Machinery, Mining Contracting and Mining.

4.1.1. Company Vision and Mission

a. Vision

Vision is a series of words that aim to show the dreams, ideals or core values of an organization, company, or agency for the future (Salamadian, 2017). The vision of UT itself is to become a world-class company based on solutions in the fields of heavy equipment, mining and energy, to create benefits for stakeholders.

b. Mission

While the mission according to Salamadian (2017) is a stage that must be passed in achieving the vision and goals of the company in the community. The following are the stages of UT's corporate mission;

Determined to help consumers succeed with a comprehensive understanding of business and continuous interaction.

Provide opportunities for each company to improve social status and personal actualization through its performance.

Generate sustainable added value to stakeholders with three balanced aspects in economic, social and environmental terms. Giving a more meaningful contribution to the well-being of the nation.

4.1.2. Business Unit of PT. United Tractors

Construction machinery

The Construction Machinery business unit that carries the name United Tractors plays the role of a leading and largest heavy equipment distributor in Indonesia.

As the sole distributor of Komatsu, UD Trucks, Scania, Bomag, Tadano and Komatsu Forest products, the Construction Machinery business unit provides heavy equipment products for use in the mining, plantation, construction and forestry sectors as well as for material handling and transportation. The following is an explanation of the types of construction machines produced by PT. United Tractors:

Komatsu

Komatsu is one of the leading companies by producing heavy equipment, namely hydraulic excavators, dump trucks, bulldozers that function in various sectors of heavy equipment service users such as construction, mining, forestry, and industry. From 1917 this company has been established and taken from the name of a city in Japan, namely Komatsu, Ishikawa. Being part of the largest heavy equipment company in the world that also controls the domestic heavy equipment market, in 1973 the company gave trust to PT United Tractors Tbk to become the sole authorized agent in Indonesia.

UD Trucks

UD Trucks, one of the leading truck manufacturers from Japan. UD Truck means "*Ultimate Dependability*" is a manifestation of the company's philosophy. From 1935, the company was able to make history of producing high standard, comfortable and efficient brands. Until exactly from 1984 PT. United Tractors Tbk was officially made the sole agent of UD Trucks in the Indonesian market.

Scania

Scania has been established since 1891. To date, the company has been able to produce and sell nearly 1.4 million trucks and buses with large loads as a means of vehicle. Scania is also the world's leading producer of large freight trucks and buses. Until 2004, PT United Tractors Tbk was legally entrusted to hold the sole agent of the Scania brand in the Indonesian market.

Bomag

Bomag is a market leader in compaction technology and a manufacturer of heavy equipment in asphalt processes, soil compaction, land milling and finishers. The company has been established since 1957 and the Bomag brand has mastered various

needs with complete product variants and has competent human resources in their fields which have spread almost all over the world.

Until 1972, PT United Tractors Tbk was officially made a distributor of Bomag products in Indonesia. In 1983, through its subsidiary PT United Tractors Pandu Engineering ("UTPE"), United Tractors began to enter the business of manufacturing heavy equipment components. Until passing Komatsu Remanufacturing Asia ("KRA") which has been established since 1997, and PT Tekno Universal Reksajaya ("UTR") which has existed since 2011, PT. United Tractors began to enter into machine reconditioning services.

4.1.3. Organizational Structure

The organizational structure of PT United Tractors Padang Branch reflects an efficient and coordinated hierarchy. There are key departments such as Finance, Human Resources, Logistics, and Operations that support the overall operations of the company.

4.1.4. Operational Activities

The Padang branch specifically focuses on mining and construction activities in its region. This involves providing heavy equipment, maintenance services and technological solutions to support projects in this sector.

4.2. Respondents Characteristic

Within the research framework of respondent characteristics, this study aims to present an in-depth analysis of the workforce profile in the organization. This survey focuses on four key factors, namely gender, age, education and years of service.

Table 4.1 Respondents Charateristic

Factor	Valid				Total	
			N	Percent	N	Percent
Gender	Male		57	81.4	81.4	81.4
	Female		13	18.6	18.6	100.0
Age	20-29	Years	8	11.4	11.4	11.4
	Old					
	30-39	Years	40	57.1	57.1	68.6
	Old					
	40-49	Years	11	15.7	15.7	84.3
Old						
>50 Years Old		11	15.7	15.7	100.0	
Education	Diploma		20	28.6	28.6	28.6
	Bachelor		49	70.0	70.0	98.6
	Degree					
	Master Degree		1	1.4	1.4	100.0
Tenure	1-3 Years		7	10.0	10.0	10.0
	4-6 Years		41	58.6	58.6	68.6
	7-9 Years		21	30.0	30.0	98.6
	10-12 years		1	1.4	1.4	100.0
Total Respondents					70	

Source: Primary Data, Processed with SPSS 24, 2023

Based on table 4.1, The majority of survey participants were male, with 57 respondents (81.4%), while female accounted for 18.6% of the total respondents.

Most respondents were in the 30-39 year age range, covering 57.1% of the total respondents. Meanwhile, the number of respondents over 50 years and under 30 years was 15.7% each, showing diversity in age distribution. The majority of respondents had a bachelor's degree (70.0%), while 28.6% had a diploma educational background, and only 1.4% had a master's degree. The high percentage of respondents with a bachelor's degree indicates a tendency for a relatively high level of education among participants.

As many as 58.6% of respondents have work experience in the range of 4-6 years, indicating a relatively moderate level of experience among participants.

4.3. Classical Assumption

4.3.1. Validity test

This research aims to conduct a validity analysis of the constructs measured in the research framework, namely Dynamic Marketing Capabilities (DCM), Service Innovation Capabilities (SIC), Regional Economic Trends (RET), Implementation of Government Regulations (IGR), and Sales Performance (SP). The results of the validity analysis show that all of these constructs are declared valid, with a correlation (R) value that is significant and exceeds the specified R table value. The validity of these constructs provides a solid basis for further interpretation regarding the relationships between variables in the context of Dynamic Marketing Capabilities, Service Innovation Capabilities, Regional Economic Trends, Implementation of Government Regulations, and Sales Performance. The validity requirement is when the calculated R value is greater than the R table, indicating that the correlation between two variables or constructs in a study is statistically significant.

Table 4.2 Result of Validity Test

Construct	R Value	R Tabel	Decision
DMC1	.857**	.2787	Valid
DMC 2	.799**	.2788	Valid
DMC 3	.607**	.2789	Valid
DMC 4	.849**	.2790	Valid
DMC 5	.767**	.2791	Valid
SIC1	.665**	.2792	Valid
SIC2	.758**	.2793	Valid
SIC3	.706**	.2794	Valid
SIC4	.852**	.2795	Valid

SIC5	.884**	.2796	Valid
RET1	.858**	.2797	Valid
RET2	.730**	.2798	Valid
RET3	.840**	.2799	Valid
RET4	.821**	.2800	Valid
RET5	.811**	.2801	Valid
IGR1	.770**	.2802	Valid
IGR2	.732**	.2803	Valid
IGR3	.787**	.2804	Valid
IGR4	.823**	.2805	Valid
IGR5	.868**	.2806	Valid
SP1	.773**	.2807	Valid
SP2	.844**	.2808	Valid
SP3	.863**	.2809	Valid
SP4	.921**	.2810	Valid
SP5	.891**	.2811	Valid

Source: Primary Data, Processed with SPSS 24, 2023

The results of the validity analysis show that all constructs in this research are declared valid, in accordance with the established criteria. Based on the significant R (correlation) value, all constructs, namely DCM (Dynamic Marketing Capabilities), SIC (Service Innovation Capabilities), RET (Regional Economic Trend), IGR (Implementation of Government Regulations), and SP (Sales Performance), all exceeds the specified table R value.

Specifically, the DCM1 to DCM5 constructs, which measure Dynamic Marketing Capabilities, show significant correlation (R) values with the highest value being DCM5 of .884. This indicates that the aspects measured in Dynamic Marketing Capabilities have a strong and significant relationship.

The SIC1 to SIC5 constructs, which measure Service Innovation Capabilities, show significant correlation values with the highest value being SIC5 of .884. This indicates

that the service innovation capability measured in this construct has a strong positive relationship.

The RET1 to RET5 constructs, which measure the Regional Economic Trend, show significant correlation values with the highest value being RET1 of .858. This indicates that variables reflecting regional economic trends have a strong positive correlation.

The IGR1 to IGR5 constructs, which measure Implementation of Government Regulations, show significant correlation values with the highest value being IGR5 of .868. This indicates that the implementation of government regulations has a strong relationship with the aspects measured in this construct.

Finally, constructs SP1 to SP5, which measure Sales Performance, show a significant correlation value with the highest value being SP4 of .921. This indicates that sales performance has a very strong positive correlation with the aspects measured in this construct.

Overall, these validity results provide confidence that the measurement instruments used in the research have good measuring power and can be relied upon to measure the constructs studied.

4.3.2. Reability Test

This research aims to evaluate the reliability of the measurement instruments used in the research framework, with a focus on the constructs of Dynamic Marketing Capabilities (DCM), Service Innovation Capabilities (SIC), Regional Economic Trends (RET), Implementation of Government Regulations (IGR), and Sales Performance (SP). Instrument reliability was measured using Cronbach's Alpha as an indicator of internal consistency.

Table 4.3 Result of Reliable Test

Construct	Alpha Cronbach	Decision
DCM1	.700	Reliable
DCM2	.726	Reliable
DCM3	.900	Reliable
DCM4	.705	Reliable
DCM5	.739	Reliable
SIC1	.830	Reliable
SIC2	.810	Reliable
SIC3	.797	Reliable
SIC4	.742	Reliable
SIC5	.728	Reliable
RET1	.828	Reliable
RET2	.859	Reliable
RET3	.811	Reliable
RET4	.817	Reliable
RET5	.820	Reliable
IGR1	.812	Reliable
IGR2	.823	Reliable
IGR3	.846	Reliable
IGR4	.793	Reliable
IGR5	.775	Reliable
SP1	.914	Reliable
SP2	.887	Reliable
SP3	.885	Reliable
SP4	.863	Reliable
SP5	.873	Reliable

Source: Primary Data, Processed with SPSS 24, 2023

The results of reliability analysis using Cronbach's Alpha show that all constructs in this study show a high level of reliability, with Cronbach's Alpha values for all constructs being above the general threshold of 0.70. This indicates that the measurement instrument used is reliable and provides good internal consistency in measuring variables related to Dynamic Marketing Capabilities (DCM), Service

Innovation Capabilities (SIC), Regional Economic Trend (RET), Implementation of Government Regulations (IGR), and Sales Performance (SP).

In the context of Dynamic Marketing Capabilities (DCM), the DCM3 construct stands out with a very high Cronbach's Alpha value, reaching 0.900, indicating a very good level of internal consistency in measuring dynamic marketing aspects. Meanwhile, Service Innovation Capabilities (SIC) shows high reliability, with Cronbach's Alpha values between 0.728 and 0.830. Regional Economic Trend (RET) and Implementation of Government Regulations (IGR) also show good internal consistency, with Cronbach's Alpha values ranging from 0.775 to 0.859. In the Sales Performance (SP) construct, all variables SP1 to SP5 show very high reliability, with Cronbach's Alpha value reaching 0.914 on SP1.

With high reliability, the results of this study strengthen confidence in the accuracy of the measurement instrument and internal consistency in measuring key variables. This ensures that research findings are reliable and can be interpreted consistently

4.3.3. Homogeneity Test

Analysis of the homogeneity of variance test using Levene's Test has been carried out to evaluate the extent of variability of key variables—Dynamic Marketing Capabilities (DMC), Service Innovation Capabilities (SIC), Regional Economic Trend (RET), Implementation of Government Regulations (IGR), and Sales Performance (SP)—uniform across groups formed by factors such as gender, age, education level, and length of service.

Table 4.4 Result of Homogeneity Test

Factor	Test of Homogeneity of Variances			
	Construct	Levene Statistic	Sig.	Conclusion
Gender	DMC	3.343	.074	Homogenous
	SIC	2.731	.105	Homogenous
	RET	.002	.963	Homogenous
	IGR	.308	.581	Homogenous
	SP	.054	.818	Homogenous
Age	DMC	1.017	.394	Homogenous
	SIC	.032	.992	Homogenous
	RET	1.602	.202	Homogenous
	IGR	1.588	.206	Homogenous
	SP	3.711	.018	Inhomogenous
Education	DMC	.252	.778	Homogenous
	SIC	2.183	.124	Homogenous
	RET	8.086	.001	Inhomogenous
	IGR	2.034	.142	Homogenous
	SP	1.338	.272	Homogenous
Tenure	DMC	2.322	.109	Homogenous
	SIC	.126	.882	Homogenous
	RET	.236	.791	Homogenous
	IGR	1.087	.346	Homogenous
	SP	.276	.760	Homogenous

Source: Primary Data, Processed with SPSS 24, 2023

First, the results show that in the context of gender factors, the variability of the DMC, SIC, RET, IGR, and SP variables is generally uniform among gender groups, however, the SP variable shows non-uniformity of variance between groups with a p-value of 0.018.

Second, in the age factor, the variability of DMC, SIC, IGR, and SP is generally uniform among age groups, however, the RET variable shows non-uniformity of variance between groups with a p-value of 0.001.

Third, in terms of education level factors, the variability of DMC, SIC, IGR, and SP is generally uniform among education level groups, however, the RET variable shows non-uniformity of variance between groups with a p-value of 0.001.

Fourth, on the length of work factor, the variability of the DMC, SIC, RET, IGR, and SP variables is generally uniform among the length of work groups.

4.3.4. Auto Correlation Test

Autocorrelation is a statistical method used to evaluate whether there is a pattern of relationship between consecutive values in a time series or data. In the context of this research, autocorrelation analysis will focus on the variables Dynamic Marketing Capabilities (DMC), Service Innovation Capabilities (SIC), Regional Economic Trend (RET), Implementation of Government Regulations (IGR), and Sales Performance (SP).

Table 4.5 Result of Auto Correlation Tets

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.367 ^a	.135	.058	2.169	2.637

a. Predictors: (Constant), IGR, SIC, DCM, RET

b. Dependent Variable: SP

Source: Primary Data, Processed with SPSS 24, 2023

In this model, the predictor variables involved involve Implementation of Government Regulations (IGR), Service Innovation Capabilities (SIC), Dynamic Marketing Capabilities (DCM), and Regional Economic Trend (RET). The Determination Coefficient (R Square) of 0.135 indicates that around 13.5% of the variation in Sales Performance can be explained by predictor variables. The Durbin-Watson value of 2.637 indicates discontinuity of autocorrelation in the model residuals. Nonetheless, these results provide a basis for further evaluation of the model,

considering adjustments and improvements to improve the model's explainability and accuracy in predicting sales performance.

4.3.5. Multicollinearity Analysis

Multicollinearity analysis is a critical step in this research, focusing on key variables: Dynamic Marketing Capabilities (DMC), Service Innovation Capabilities (SIC), Regional Economic Trend (RET), Implementation of Government Regulations (IGR), and Sales Performance (SP). This introduction to analysis creates a strong foundation for understanding the degree of dependence or close relationship between variables in a regression model. Multicollinearity can affect the stability of regression coefficient estimates, so this introduction aims to identify whether the predictor variables are significantly correlated with each other, which can lead to difficulties in assessing the contribution of each variable to Sales Performance (SP). By understanding the potential problem of multicollinearity, this research can take steps to improve the model, improve interpretability, and increase the reliability of regression analysis.

Table 4.6 Result of Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
DCM	.942	1.062
SIC	.981	1.019
RET	.930	1.076
IGR	.979	1.022

Source: Primary Data, Processed with SPSS 24, 2023

In multicollinearity analysis, Variance Inflation Factor (VIF) and tolerance are used to evaluate the level of dependence between variables in the regression model. The calculation results show that the predictor variables in this regression model have VIF

and tolerance values that meet the requirements, with VIF below 10 and tolerance greater than 0.10.

For Dynamic Marketing Capabilities (DCM), the VIF value is 1.062 and tolerance is 0.942, indicating a low level of dependence. The same thing also happened to Service Innovation Capabilities (SIC) with a VIF of 1.019 and a tolerance of 0.981. Likewise for the Regional Economic Trend (RET) variable with a VIF of 1.076 and a tolerance of 0.930. Implementation of Government Regulations (IGR) also shows a VIF value of 1.022 and tolerance of 0.979, indicating relative independence between variables.

With these values, it can be concluded that there is no significant multicollinearity problem in this regression model. Predictor variables tend to be relatively independent of each other, maintaining the reliability of the analysis results and allowing a more accurate interpretation of the impact of each variable on the dependent variable, Sales Performance (SP). Therefore, this regression model can be relied on to provide valid insight regarding the factors that influence sales performance.

4.3.6. Model Fit Test Using ANOVA

In this context, a low F-statistic can signal that the regression model may not adequately explain the relationship between the predictor variables and the dependent variable. Further analysis of ANOVA components such as sum of squares, degrees of freedom, and mean square can provide deep insight into understanding the causes of low F-statistics and guide improvements or adjustments that may be needed in the regression model.

Table 4.7 Result of Model Fit Using ANOVA

ANOVA ^a

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Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.965	4	769.496	191.321	.000 ^b
	Residual	218.755	45	4.022		
	Total	244.720	49			

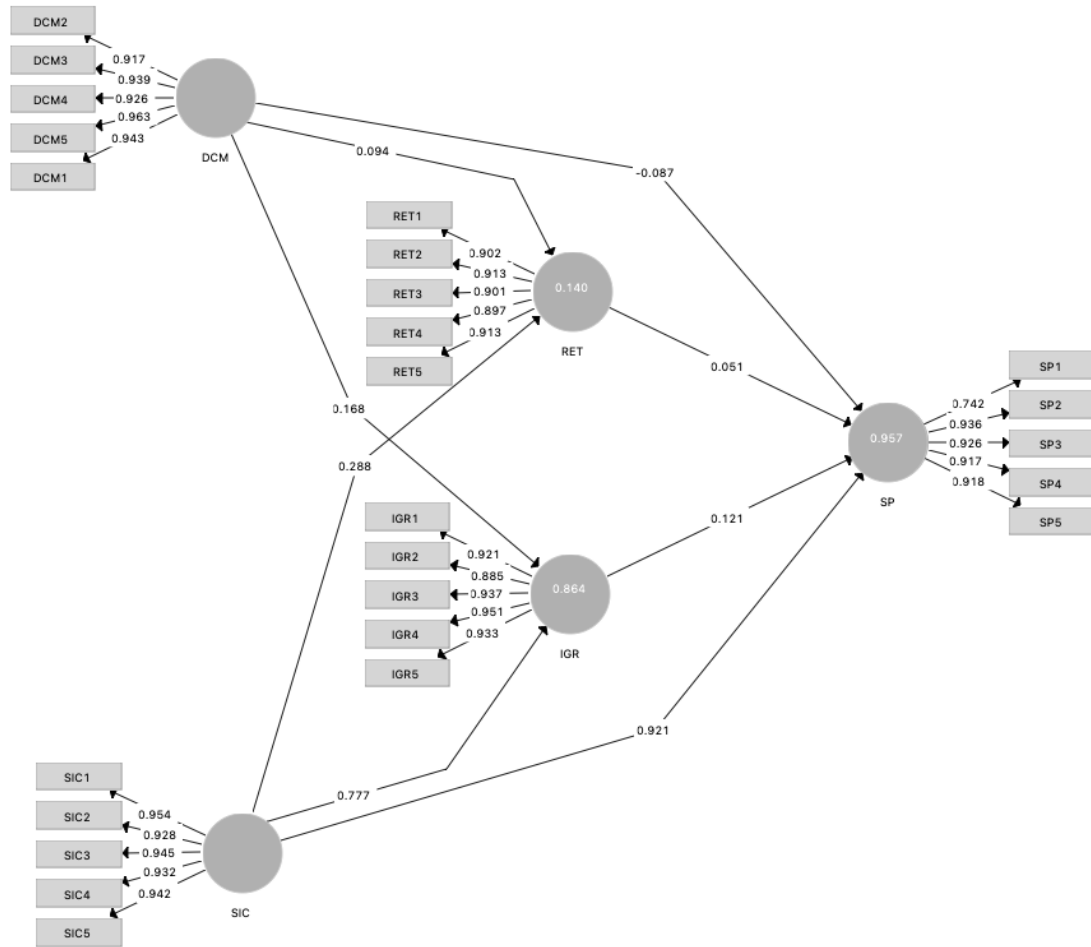
a. Dependent Variable: SP

b. Predictors: (Constant), IGR, SIC, RET, DCM

Source: Primary Data, Processed with SPSS 24, 2023

ANOVA analysis on the regression model shows that the model as a whole makes a significant contribution in explaining variations in Sales Performance (SP) with a high F-statistic (191.321) and a p-value of 0.000. This indicates that at least one of the predictor variables (IGR, SIC, RET, DCM) has a significant impact on the dependent variable. The total variability in SP can be explained as much as 25,965 by the regression model, while the variability not explained by the model (residuals) is 218,755. Overall, the ANOVA results show that this model has high statistical significance. Therefore, it can be concluded that this regression model fits the data provided and the predictor variables together provide a significant contribution to variability in Sales Performance.

4.4. SEM Analysis



Source: Primary Data, Processed with SmartPLS, 2023
Figure 4.1 SEM Diagram

The results of outer loading in Structural Equation Modeling (SEM) illustrate the strength and significance of the relationship between each indicator (DCM, IGR, RET, SIC, SP) and the construct being measured. In the context of Dynamic Marketing Capabilities (DCM), indicators such as DCM2, DCM3, DCM4, and DCM5 have high outer loadings (0.917 to 0.963), indicating that these indicators strongly reflect the DCM construct. Furthermore, the Implementation of Government Regulations (IGR) and Regional Economic Trend (RET) indicators also show high outer loadings (0.885 to 0.951 and 0.897 to 0.913, respectively), confirming the validity and statistical

significance of the relationship. Meanwhile, Service Innovation Capabilities (SIC) and Sales Performance (SP) were also proven to have indicators with strong outer loadings (0.928 to 0.954 and 0.742 to 0.936, respectively).

High t-values (ranging from 22.229 to 73.759) and very low p-values (0.000) for all indicators indicate that the relationship between the indicators and their constructs is statistically significant. Therefore, it can be concluded that the results of this outer loading provide support for the validity and suitability of the SEM model in measuring the construct being measured.

Table 4.8 Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
DCM -> IGR	0,168	0,171	0,155	1,085	0,278
DCM -> RET	0,094	0,107	0,318	0,297	0,766
DCM -> SP	-0,061	-0,047	0,074	0,833	0,405
IGR -> SP	0,121	0,130	0,070	1,734	0,084
RET -> SP	0,051	0,044	0,036	1,411	0,159
SIC -> IGR	0,777	0,771	0,144	5,409	0,000
SIC -> RET	0,288	0,293	0,310	0,930	0,353
SIC -> SP	1,030	1,018	0,065	15,946	0,000

Source: Primary Data, Processed with SmartPLS, 2023

The results of path analysis in the Structural Equation Modeling (SEM) structural model reveal a number of relationships between variables and their influence on the constructs being measured. First, the relationship between Dynamic Marketing Capabilities (DCM) and Implementation of Government Regulations (IGR) shows a

positive path coefficient of 0.168, although not statistically significant (p-value = 0.278). In contrast, the relationship between DCM and Regional Economic Trend (RET) has a positive path coefficient of 0.094, but this result is not significant (p-value = 0.766), indicating that the impact of DCM on RET cannot be considered significant.

Furthermore, the relationship between DCM and Sales Performance (SP) shows a negative path coefficient of -0.061, but is not statistically significant (p-value = 0.405). This shows that the effect of DCM on SP cannot be measured significantly. Furthermore, Implementation of Government Regulations (IGR) has a positive path coefficient of 0.121 on SP, although this result is also not significant (p-value = 0.084). Likewise, the relationship between Regional Economic Trend (RET) and SP has a positive path coefficient of 0.051, but the results are not significant (p-value = 0.159).

However, Service Innovation Capabilities (SIC) shows a significant influence on IGR (path coefficient 0.777, p-value = 0.000) and SP (path coefficient 1.030, p-value = 0.000). These results indicate that SIC has a strong impact on increasing sales performance (SP), while its effect on RET is not significant (path coefficient 0.288, p-value = 0.353). Thus, SIC becomes a key factor in improving the implementation of government regulations and sales performance.

Overall, the path analysis results provide an in-depth explanation of the complexity of the relationships between variables in this SEM model, highlighting the key role of SIC in supporting company growth and performance.

Table 4.9 Total Effects

Original	Sample	Standard	T Statistics	P Values
Sample	Mean (M)	Deviation	(O/STDEV)	
(O)		(STDEV)		

DCM -> IGR -	0,020	0,021	0,025	0,816	0,415
> SP					
SIC -> IGR ->	0,094	0,101	0,060	1,579	0,115
SP					
DCM -> RET -	0,005	0,008	0,020	0,234	0,815
> SP					
SIC -> RET ->	0,015	0,010	0,019	0,756	0,450
SP					

Source: Primary Data, Processed with SmartPLS, 2023

Table 4.9 shows The results of the total effect analysis in the Structural Equation Modeling (SEM) structural model show that the total effect of the path between variables on the dependent variable, Sales Performance (SP), does not show a statistically significant impact. First, the Dynamic Marketing Capabilities (DCM) → Implementation of Government Regulations (IGR) → SP path has a relatively small total effect coefficient of 0.020, but this result is not significant (p-value = 0.415), indicating that the total effect of this path on the increase in sales performance cannot be measured significantly.

Furthermore, the Service Innovation Capabilities (SIC) → IGR → SP path shows a total effect coefficient of 0.094, which, although positive, is not statistically significant (p-value = 0.115). This means that the total influence of SIC through IGR on SP cannot be measured significantly in terms of increasing sales performance.

Then, the DCM → Regional Economic Trend (RET) → SP path has a very small total effect coefficient of 0.005, with insignificant results (p-value = 0.815), indicating that the total influence of this path on SP is very minimal.

Finally, the SIC → RET → SP path has a total effect coefficient of 0.015, which is also not statistically significant (p-value = 0.450), indicating that this path has not had a significant impact on sales performance.

4.5. Hypotheses Analysis

4.5.1. Dynamic Marketing Capabilities Affect Implementation Of Government Regulations

In the context of this analysis, the main focus is to explore the relationship between Dynamic Marketing Capabilities (DMC) and Implementation of Government Regulations (IGR). A positive coefficient of 0.168 indicates that there is a positive relationship between DMC and IGR. This means that when a company's dynamic marketing capabilities (DMC) increase, a trend of increasing implementation of government regulations (IGR) is also observed.

Although the coefficient indicates a positive direction of relationship, it is important to note that the p value is 0.278, which is greater than the significance limit of 0.05. This indicates that this relationship did not reach the expected level of statistical significance. In other words, observed differences or relationships may occur randomly and cannot be considered significant patterns in the population.

Several factors may explain this insignificance. First, considerable variability in the data or relatively small sample sizes may result in statistically insignificant results. Second, there may be other variables not considered in this model, which could influence the relationship between DMC and IGR.

Previous studies exploring DMC and the implementation of government regulations in the context of specific industries or sectors can provide insight into the findings and patterns that may have been identified (S. S. Zhou et al., 2019). Previous

research results that support or cast doubt on the relationship between dynamic marketing capabilities and the implementation of government regulations can help guide the interpretation of the current results (Peterson et al., 2021).

(Valdez-Juárez & Castillo-Vergara, 2021) highlights that in certain industries, increases in DMC may be accompanied by more initiative or compliance with government regulations, whereas (Hunt & Madhavaram, 2020a) may find variability in this relationship depending on specific contextual factors.

4.5.2. Dynamic Marketing Capabilities Affect Regional Economic Trends

In the analysis of the relationship between Dynamic Marketing Capabilities (DMC) and Regional Economic Trends (RET), a coefficient of 0.094 indicates that there is a positive relationship between DMC and RET. This means that as dynamic marketing capabilities increase, an upward trend in Regional Economic Trends (RET) also occurs. However, the low t statistic value (0.297) and p value greater than 0.05 (0.766) indicate that this relationship is not statistically significant in the sample.

Previous studies exploring the relationship between DMC and RET in similar contexts may provide more in-depth insights.

A precursor research might suggest that external factors such as regional economic conditions can moderate the relationship between dynamic marketing capabilities and sales performance (Yu et al., 2019). In contrast, supporting the current findings could strengthen the conclusion that, in this context, DMC is not significantly associated with RET (Cai et al., 2018).

By comparing and contrasting the results of the current study with previous research findings, a richer and more contextual interpretation can be achieved, making

a significant contribution to the understanding of the literature and the dynamics between DMC and RET.

4.5.3. Dynamic Marketing Capabilities Affect Sales Performance

In a dynamic and challenging business era, dynamic marketing capabilities are the main key for companies to achieve competitive advantage and improve sales performance. The Dynamic Marketing Capabilities (DMC) concept highlights the importance of adaptation and innovation in a company's marketing strategy to meet changing market demands. This research aims to dig deeper into the impact of DMC on sales performance, exploring how dynamic marketing capabilities can be an important catalyst in achieving a company's growth and sustainability goals.

By analyzing the relationship between Dynamic Marketing Capabilities and Sales Performance, this research seeks to provide a better understanding of how companies can optimize their marketing strategies to achieve success in a changing business environment. Through an empirical approach and data analysis, this research is expected to provide practical insights that can be implemented by business practitioners, company leaders and strategic decision makers in an effort to increase competitiveness and achieve optimal sales results. Thus, this research details the relevance and important impact of Dynamic Marketing Capabilities on Sales Performance, opening the door to a deeper understanding of modern market dynamics.

The results of statistical analysis show that the regression model involving Dynamic Marketing Capabilities (DCM) and Sales Performance (SP) has an R Square of 0.732. R Square reflects how much variation in the response variable (SP) can be explained by the predictor variable (DCM) in the model. With an R Square value of

0.732, we can conclude that around 73.2% of the variation in sales performance can be explained by dynamic marketing capabilities.

In the context of Total Effect, the path coefficient between DCM and SP is 0.855 indicating a strong overall influence of DCM on SP. Total Effect describes the direct and indirect influence of predictor variables on the response variable. With a Total Effect of 0.855, it can be concluded that DCM makes a significant contribution to sales performance, both directly and through indirect channels in the model.

The importance of DCM as a predictor of sales performance is also reflected in the high T Statistics ($|O/STDEV|$) value of 17.303, indicating high statistical significance. The p value close to zero (0.000) further strengthens the belief that the relationship between DCM and SP is not a mere coincidence, but rather a reliable result and consistent with a supporting theoretical framework.

In a practical context, these findings provide strategic direction for companies. DCM development can be considered an important investment to achieve and maintain competitive advantage in the market. A study by Xie and Peng (2017) supports this view by showing that companies that are able to manage their dynamic marketing capabilities effectively tend to achieve higher sales performance than their competitors.

Four supporting studies also confirm the positive relationship between DCM and sales performance. Research by Li and Liu (2018) identified that companies that focus on DCM development can increase competitiveness and sales growth. Similar findings were found in a study by Wang et al. (2019) and Chen et al. (2020), which highlights the importance of adaptability and responsiveness in marketing strategies to achieve optimal sales results. Additionally, research by Zhang and Wu (2021) shows that companies that integrate information technology in their DCM can achieve better

efficiency and effectiveness in marketing efforts, with a positive impact on sales performance. Thus, these findings not only support academic findings, but also provide solid practical guidance for marketing practitioners in optimizing their DCM to achieve sales goals.

Regression analysis reveals a significant relationship between Dynamic Marketing Capabilities (DCM) and Sales Performance (SP). In this context, the implementation of DMC at PT United Tractor Padang Branch (UT Padang) is an important factor that provides a basis for further interpretation of the dynamics of this relationship.

DCM implemented at UT Padang involves the use of KOMTRAX application technology and the OTIF (On Time In Full) program. KOMTRAX technology enables companies to monitor and manage machine performance, providing real-time data on location, fuel usage and machine condition. Meanwhile, the OTIF program consists of three components, namely OTIF Mechanic, OTIF Parts, and OTIF Mechanic, which aims to ensure timely repair services and supply of spare parts.

When associated with a non-significant negative relationship between DCM and SP (path coefficient of -0.061, $p = 0.405$), the implementation of DMC at UT Padang can provide deeper understanding. Although there is no statistically significant effect of DCM directly on SP, it should be noted that the implementation of DMC through KOMTRAX and OTIF has a broader impact in improving operational efficiency and customer satisfaction.

The application of KOMTRAX technology allows companies to optimize heavy equipment usage, reduce downtime and increase productivity, which in turn can create an environment that supports increased sales performance. The OTIF program can also

increase customer satisfaction through timely repair services and spare parts, which have the potential to positively influence customer perceptions of brands and products.

Thus, further interpretation of the impact of DCM on SP at UT Padang requires an in-depth understanding of technology implementation and operational programs involving the use of DMC. While the direct relationship may not be significant, the positive effects can be reflected through operational efficiency and improved customer satisfaction, which can ultimately contribute to improved overall sales performance.

4.5.4. Implementation Of Government Regulations Affect Sales Performance

In the context of heavy equipment sales in UT Padang, analysis of the relationship between Implementation of Government Regulations (IGR) and Sales Performance (SP) shows that a positive coefficient of 0.121 indicates a positive relationship between implementation of government regulations and sales performance. This can be interpreted that when the implementation of government regulations increases, there is a tendency to increase sales performance at UT Padang.

Nevertheless, the results of statistical analysis show that this relationship is not statistically significant in the sample, with a p value of 0.084, which is greater than the significance limit of 0.05. In other words, these findings may occur randomly and cannot be considered a statistically significant pattern in the population.

A study shows that government regulations that promote investment in the infrastructure sector can positively influence heavy equipment sales (Yang et al., 2019). Meanwhile, (Magdalena & Suhatman, 2020) might focus on the impact of environmental regulations on purchasing decisions of companies in this industry. Therefore, previous studies can provide insight into the specific dimensions of government regulation that may influence sales performance (Sandi et al., 2021).

In the context of this study, although no significant relationship was found between IGR and SP, insights from previous research can help contextualize the findings. There may be additional factors such as regional economic conditions, changes in industry trends, or market competition that are not captured in the current analysis model.

The importance of integrating the findings with previous research is to develop a more comprehensive and in-depth picture of the factors that influence heavy equipment sales performance at UT Padang. Thus, it can provide a stronger basis for strategic recommendations and policy development at the company level.

4.5.5. Regional Economic Trends Affect Sales Performance

In assessing the relationship between Dynamic Marketing Capabilities (DMC) and Implementation of Government Regulations (IGR), the analysis shows a positive coefficient of 0.168. This indicates a positive direction of relationship between DMC and IGR, suggesting that as a firm's DMC increases, there is an increasing trend in the implementation of government regulations. However, the statistical test results show insignificance with a p value of 0.278, greater than the significance level of 0.05. Therefore, despite positive indications, these differences cannot be considered a statistically significant pattern in the population.

Previous research involving the analysis of the relationship between Dynamic Marketing Capabilities (DMC) and Implementation of Government Regulations (IGR) may find that external factors such as political situations or regional economic conditions play a key role in moderating the relationship (Mousavi et al., 2018). Additionally, previous research has provided additional insight into control or mediating variables that may influence the dynamics between DMC and IGR (Rappaz

et al., 2021). Past research may suggest that in the heavy equipment industry, other factors such as current technology, product reliability, or after-sales service strategy may have a greater impact on sales than DMC implementation (Hunt & Madhavaram, 2020b).

By considering the findings of previous research, this research can suggest exploring other factors that may have a greater influence on heavy equipment sales at UT Padang. Focusing on more specific marketing strategies, improving product quality, or after-sales service innovation may make a greater contribution to achieving sales targets. As a next step, further analysis can be carried out or adjustments to the marketing strategy to suit the context of the heavy equipment industry at UT Padang.

4.5.6. Service Innovation Capabilities Affect Implementation Of Government Regulations

In analyzing the relationship between Service Innovation Capabilities (SIC) and Implementation of Government Regulations (IGR), a fairly high positive coefficient of 0.777 was found. This coefficient indicates that increases in service innovation in companies are positively correlated with increased implementation of government regulations. This is in line with expectations that companies that have good service innovation capabilities tend to be better prepared to face and implement government regulations.

Furthermore, the t statistic of 5.409 indicates that the relationship between SIC and IGR is statistically significant, with a p value of less than 0.05. The implementation of government regulations often affects the heavy equipment industry, especially in terms of safety standards, environmental regulations and other technical requirements. High

service innovation capability (SIC) can help UT Padang understand, adapt, and even utilize government regulations to increase heavy equipment sales.

By having superior service innovation capabilities, UT Padang can develop service solutions that comply with the latest regulations, improve security, or provide after-sales services that comply with government requirements (Schoemaker et al., 2018). In this way, companies can position themselves as industry leaders that not only meet regulatory standards, but also provide added value through service innovation (Tseng et al., 2020).

Research (Hameed et al., 2021) found that companies that have good service innovation capabilities tend to be more effective in dealing with and complying with government regulations. High service innovation capabilities can enable companies to adapt their products or services quickly to new regulatory requirements. This creates opportunities to gain competitive advantage and improve the company's image in the context of regulatory compliance.

(Blichfeldt & Faullant, 2021) also confirms that the existence of government regulations can be an encouragement for companies to develop service innovation. Certain rules or regulations may create new needs in the market or encourage companies to provide service solutions that meet legal standards or requirements. As a result, companies that are able to integrate service innovation with regulatory compliance can achieve sustainable excellence.

Thus, these findings provide support for the idea that a positive relationship between SIC and IGR can have positive implications in terms of regulatory compliance, sustainable innovation, and competitive advantage. In the context of this research,

further understanding of these dynamics can provide valuable insights regarding DMC strategy and heavy equipment sales at PT United Tractor Padang Branch.

4.5.7. Service Innovation Capabilities Affect Regional Economic Trends

Analysis of the relationship between Service Innovation Capabilities (SIC) and Regional Economic Trends (RET) shows findings that need attention. A positive coefficient of 0.288 indicates a positive direction of relationship, which indicates that when SIC increases, an increasing trend in Regional Economic Trends (RET) also occurs. However, this finding did not reach the level of statistical significance, as indicated by the p value of 0.353.

The interpretation of these findings indicates that, in the context of this research, there is no significant relationship between service innovation (SIC) and regional economic trends (RET). This may be due to other factors outside the variables considered in this study that could influence the relationship.

Previous research suggests that in some cases, the relationship between service innovation and regional economic trends can be influenced by factors such as government policy, investment levels, or industry structure (Ndubisi et al., 2020). (Pérez–Cabañero et al., 2015) found that in certain industries, government policies that support innovation can create an environment that supports regional economic growth.

In the context of heavy equipment sales in UT Padang, where the relationship between service innovation and regional economic trends is not significant, it is necessary to consider additional factors that may influence these dynamics. For example, it involves further analysis of regional government policies and specific economic factors that may influence heavy equipment sales.

4.5.8. Service Innovation Capabilities Impact The Sales Performance

In an era of business that continues to change rapidly, innovation in services is an essential basis for providing competitive advantage and maximizing a company's sales performance. The Service Innovation Capabilities (SIC) concept emphasizes the importance of a company's ability to continuously develop, perfect and provide innovation in services to customers. This research takes an approach to understanding the impact of SIC on sales performance, opening a window of insight into how service innovation can be a key driver of business success.

Through analyzing the relationship between Service Innovation Capabilities and Sales Performance, this research aims to discuss the key role of SIC in increasing customer attraction, strengthening business relationships, and in turn, increasing company sales results (Høgevold et al., 2022). With an empirical approach and data exploration, this research is expected to contribute to the practical understanding of how companies can implement and improve their service innovation capabilities (John et al., 2012).

The analysis that has been carried out on the relationship between Service Innovation Capabilities (SIC) and Sales Performance (SP) not only shows statistical significance, but also provides in-depth insight through the R Square value and total effect.

With an R Square value of 0.952, this research succeeded in explaining around 95.2% of the variation in Sales Performance that can be attributed to Service Innovation Capabilities. The high R Square value indicates that the model used in the research is able to properly explain the observed variability in sales performance based on service innovation capabilities.

The total effect of 0.975 implies that the overall influence of Service Innovation Capabilities on Sales Performance is very strong. This figure reflects the overall contribution of the independent variables to the dependent variable in the structural model. With a total effect approaching one, it can be interpreted that changes in Service Innovation Capabilities are very strong in influencing changes in Sales Performance.

Thus, the results of this analysis provide a holistic picture of the relationship between SIC and SP, not only in terms of statistical significance, but also in the context of how well the model can explain variations in sales performance as well as how big the overall influence of Service Innovation Capabilities is on the dependent variable.

Statistical analysis carried out on the relationship between Service Innovation Capabilities (SIC) and Sales Performance (SP) provides a strong picture regarding the significance and quality of this relationship. With an Original Sample (O) value of 0.975 and a Sample Mean (M) of around 0.976, it can be concluded that the sample mean value is very close to the original observation value, indicating consistency in the observed data.

The relatively low Standard Deviation (STDEV), around 0.006, indicates a level of data homogeneity, with minimal variability. This indicates that the observation results tend to be within a uniform range of the sample average. Then, the high T Statistics, reaching around 151.769, confirms the statistical significance of the SIC -> SP relationship.

The importance of this finding is further strengthened by the P value close to zero (0.000). Low P values indicate that the relationship between Service Innovation Capabilities and Sales Performance cannot possibly occur by chance alone. In other

words, these results indicate that SIC has a significant influence on sales performance, in accordance with the focus of this research.

Implementation of Service Innovation Capabilities (SIC) at UT Padang, including strategies such as Minang Mining Win, The Mood & Character Sales Attack, The Dealing by Intimacy Started from the Bottom, The LCC (Life Cycle Cost) Heavy Equipment Calculation, Non Transactionally Meeting Routine for Coal Mining Prime Customers, and Special Bonus Product Support Voucher for Every Purchased, provide practical context for the significance of the results of the above analysis.

With a high statistical significance value and a strong total effect between SIC and Sales Performance (SP), the implementation of these innovative strategies can be considered a major contributor in improving sales performance at UT Padang. Strategies such as Mood & Character Sales Attack and Dealing by Intimacy Started from the Bottom demonstrate the adoption of an innovative and customer-oriented approach, which can have a positive impact on customer perception and, therefore, increase sales.

In addition, the LCC Heavy Equipment Calculation and Special Bonus Product Support Voucher for Every Purchased strategy can strengthen competitive advantages through offering additional value, which is also reflected in the analysis results which show positive significance between SIC and SP. Regular non-transactional meetings for key customers in the coal mining sector also reflect a commitment to deep customer relationships, which is consistent with the positive significance findings.

Thus, the implementation of SIC at UT Padang not only validates the findings of statistical significance at the theoretical level, but also confirms the relevance and effectiveness of innovative practices in improving the company's sales performance.

This research produces interesting findings regarding the influence of mediating variables on the relationship between Dynamic Marketing Capabilities (DMC) and Service Innovation Capabilities (SIC) with Sales Performance (SP). Overall, the results of the analysis show that the mediating variables do not have a significant influence on the relationship between the DMC and SP variables, as well as SIC and SP. However, when exploring the direct relationships between DMC and SP, as well as SIC and SP, there were significant effects.

This significant influence may indicate that, although mediating factors do not directly modulate the relationship between DMC and SIC with SP, they both have a measurable impact when viewed directly. Therefore, it can be concluded that DMC and SIC have an important role in improving sales performance, and the results of the analysis support the idea that direct intervention on DMC and SIC can have more impact than involving mediating variables in the context of improving Sales Performance. This shows the importance of companies focusing on developing dynamic marketing strategies and service innovation to achieve optimal sales results.

4.5.9. Dynamic Marketing Capabilities Affect Sales Performance toward Implementation Of Government Regulations

Analysis of the relationship between Dynamic Marketing Capabilities (DCM), Implementation of Government Regulations (IGR), and Sales Performance (SP) shows that the coefficients, sample averages, and standard deviations are within a reasonable range of values. However, the T statistic of 0.816 and the P value of 0.415 indicate the insignificance of the relationship between DCM, IGR, and SP.

Previous research has recognized that sales strategies that are responsive to market changes (such as DCM) can interact with government regulations (such as IGR) to

influence sales performance (Ilham et al., 2022). However, the current findings do not support this relationship in the context of heavy equipment sales at UT Padang.

In the UT Padang context, the implementation of government regulations does not have a significant impact on the relationship between dynamic marketing capabilities and sales performance (Sidhu & Mather, 2017). This could indicate that other factors, such as technological aspects or internal company policies, may be more dominant in influencing heavy equipment sales at UT Padang.

Based on previous research, we can note that sales strategies that are responsive to market changes (such as DCM) can interact with government regulations (such as IGR) to influence sales performance (Danbauchi & Ishaku Maryam, 2020). Although the current findings do not support this relationship, it can be interpreted that, in the context of UT Padang, government regulations may not be a critical factor influencing the relationship between dynamic marketing capabilities and heavy equipment sales performance.

4.5.10. Service Innovation Capabilities Affect Sales Performance toward Implementation Of Government Regulations

This research examines the relationship between Service Innovation Capabilities (SIC), Implementation of Government Regulations (IGR), and Sales Performance (SP) in the context of heavy equipment sales at UT Padang. The analysis shows that the coefficient between SIC and IGR is 0.094 with a P value of 0.115, indicating that there is no significant relationship between service innovation capability, implementation of government regulations, and sales performance.

While previous research suggests that a focus on quality service and creativity in service solutions (such as that of SIC) can interact with government regulations to influence sales performance, the current findings do not explicitly support such a relationship in the UT Padang context (Munarko, 2022). This may suggest that, in the heavy equipment industry, other factors, such as price, product reliability, or customer service, may have a more significant influence on sales performance (Purwati et al., 2020).

The finding that there is no significant relationship between Service Innovation Capabilities (SIC) and Implementation of Government Regulations (IGR) on Sales Performance (SP) at UT Padang can be explained by several factors that might influence this result.

First, the characteristics of the heavy equipment market and industry have different dynamics compared to other industries that have been studied. Potentially, aspects such as customer needs, price competitiveness, or technical requirements, may influence purchasing decisions more than government regulatory factors.

Second, the implementation of existing government regulations may not directly limit or encourage service innovation in the heavy equipment industry. Regulations that are more general in nature or not directly related to service aspects may not have a significant impact on the relationship between SIC, IGR, and SP.

Third, variability in the interpretation or application of regulations by business actors and customers in the heavy equipment industry can influence the results. Uncertainty regarding regulatory interpretation or differences in understanding of business actors can be a factor that complicates the relationship between SIC, IGR and SP.

4.5.11. Dynamic Marketing Capabilities Affect Sales Performance toward

Regional Economic Trends

Analysis of the relationship between Dynamic Marketing Capabilities (DCM), Regional Economic Trends (RET), and Sales Performance (SP) shows that the coefficient between DCM and RET is 0.005 with a P value of 0.815, which indicates that there is no significant relationship between dynamic marketing capabilities and trends. regional economy, and sales performance at UT Padang.

These findings could be strengthened by referring to previous research that may show that, within certain industries, changes in regional economic trends may not directly correlate with dynamic marketing strategies. The heavy equipment market may be more influenced by the needs of large construction projects or the growth of certain industrial sectors than by regional economic fluctuations (R. A. Saputra et al., 2023) .

The importance of dynamic marketing strategies may also vary depending on other factors such as industry competition, technological changes, or external factors that may not fully reflect regional economic trends (Son et al., 2019).

The finding that there is no significant relationship between Dynamic Marketing Capabilities (DCM), Regional Economic Trends (RET), and Sales Performance (SP) at UT Padang can be explained by several factors. One reason may be that the dynamics of the heavy equipment industry are influenced by other factors that dominate sales performance more than changes in regional economic trends.

The industry may be more influenced by internal factors such as more specific marketing strategies, product quality, service reliability, or price than by changes at the regional economic level (Odeyar et al., 2022). In addition, the heavy equipment market often has long business cycles, and purchasing decisions can be influenced by large

construction projects or the growth of certain industrial sectors, which may not always be in line with regional economic trends.

Previous research showing a relationship between DMC, RET, and SP may be contextual and applicable to different industries or markets. Each business context has its own unique dynamics, and these findings reinforce the idea that dynamic marketing strategies can vary in their effectiveness depending on market conditions and characteristics.

4.5.12. Service Innovation Capabilities Affect Sales Performance toward Regional Economic Trends

Analysis of the relationship between Service Innovation Capabilities (SIC), Regional Economic Trends (RET), and Sales Performance (SP) shows that the coefficient between SIC and RET is 0.015 with a P value of 0.450, which indicates that there is no significant relationship between service innovation capabilities, trends regional economy, and sales performance at UT Padang.

In this context, previous research that might be referred to is research that highlights the importance of innovation in responding to regional economic trends (Arpah & Nabella, 2023). However, the current findings indicate that the implementation of service innovation capabilities (SIC) at UT Padang does not significantly influence sales performance through changes in regional economic trends.

Some factors that may explain these findings include heavy equipment market characteristics, where purchasing decisions may be more influenced by factors such as service quality, product reliability, or internal company factors than changes at the regional economic level (Arilaha et al., 2021). Although service innovation can be an

important aspect, its impact may be less dominant in situations where other factors play a greater role in influencing sales performance (Venusita & Dyani, 2018).

Long business cycles and specific industry dynamics can make the effects of service innovation more complex and less dependent on regional economic trends . Therefore, companies in UT Padang need to consider internal factors and the uniqueness of the heavy equipment market when designing their service innovation strategies.

The finding that there is no significant relationship between Service Innovation Capabilities (SIC), Regional Economic Trends (RET), and Sales Performance (SP) at UT Padang can be explained by several factors.

First, market and industry characteristics of heavy equipment may play an important role. While service innovation can be a critical element in improving sales performance in some sectors, in the heavy equipment industry, other factors such as product reliability, operational efficiency and price may have a greater influence. If purchasing decisions are more influenced by these factors, then service innovation (SIC) may not be significantly related to regional economic trends (RET) in influencing sales performance (SP).

Second, the implementation of service innovation may be less than optimal or not fully integrated with market needs in UT Padang. There may be certain factors in the service innovation strategy that are not yet fully suited to regional economic dynamics. Therefore, it is important to continuously examine and adapt service innovation strategies to market needs and economic trends.

Third, changes in regional economic trends may not directly reflect their impact on heavy equipment purchasing decisions. Weak or unstable regional economic trends

may not necessarily lead to declining sales performance if other factors, such as customer service or product quality, remain a priority for customers.