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Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan

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**ABSTRACT** The world market for palm oil and its derivative product tend to be increasing. It is an opportunity for Indonesian palm plantation industry especially in West Kalimantan Province in Indonesia to increase its competitive advantage so it will reach optimum economic performance. The increasing competitive advantage has determined by company ability in implementing customer focus, competitor intelligence, and cross functional working relationship. This research has conducted beside to find the model of customer focus, competitor intelligence, and cross functional working relationship implementation at palm plantation company in West Kalimantan Province in Indonesia and also to find the influence of those variables to competitive advantage and company economic performance's model. This research uses an approach of economic science with the focus on market-based economic. The observation has been conducted to palm plantation company in West Kalimantan Province in Indonesia producing the palm and its derivative products in the forms of CPO and PKO. The research conducted is descriptive and verification using descriptive and explanatory survey method. This research is population research of 85 companies using a data collecting technique of questionnaires equipped with interview and observation. The field data have been collected and the processed using a path analysis. The research result shows that almost all of company in palm plantation industry at West Kalimantan Province in Indonesia has able to implementing customer focus and cross functional working relationship in its business activity. Meanwhile, only half of company in palm plantation industry at West Kalimantan Province in Indonesia able to implementing competitor intelligence and competitive advantage. It's same with economic performance which only half of company in palm plantation industry at West Kalimantan Province in Indonesia able to achieve high qualification of economic performance. Other outcomes are the competitor intelligence having significant influence on the company's competitive advantage and competitor intelligence together with the cross functional working relationship having significant influence on the company's economic performance. Finally, this research found also that the competitive advantage has a significant influence on the company's economic performance.

Keywords: Market-based Economic, Customer Focus, Competitor Intelligence, Cross Functional Working Relationship, Competitive Advantage, Economic Performance JEL Classifications: O13,

P17, Q47 1. INTRODUCTION West Kalimantan Province is located in tropical area with high humidity and air temperature has wide 1.13 times the width of Java island, which is about 146.807 km<sup>2</sup> or 7.53% of the total area of Indonesia. The area of West Kalimantan has a distinct advantage over other provinces in Indonesia, which is directly adjacent to Sarawak-East Malaysia and Brunei. In general, people in West Kalimantan Province work in agriculture. Therefore, the agricultural sector contributes the most to the gross domestic product (GDP) of West Kalimantan Province. The land provided for agricultural development in West Kalimantan Province since 1991 covers an area of 5.2 million hectares and 2.5 million hectares is allocated for the development of plantation commodities. More than 150 companies have obtained Plantation Business Licenses in West Kalimantan Province to manage 1.5 million hectares of land. Oil palm plantations in Indonesia continue to grow and tend to increase until many times. The area of oil palm in West Kalimantan Province is relatively small compared to the total area of oil palm in Indonesia, but able to contribute significantly to the GDP of West Kalimantan. Viewed from average production, production of

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Issue 5 • 2018 173 oil palm plantations fluctuates, as well as for the condition of oil palm plantations in West Kalimantan Province. Meanwhile, CPO and PKO production continues to increase with export value which tends to increase. The national CPO and PKO production tends to increase and continue to increase in line with the increasing demand, especially the world CPO, which is expected to increase sharply to 40 million tons/year by 2020. Considering the increasing demand for CPO in both domestic and export markets, it is appropriate that the West Kalimantan Provincial Government targets to expand the area of oil palm plantations with increasing production targets. Generally based on ownership status, in West Kalimantan province there are ± 81% smallholder plantation, ± 2.27% State Plantation, and ± 16.89% large private plantation. To support the oil palm plantation industry, in West Kalimantan Province, more than 19 palm oil processing plants with installed capacity have been built.

To improve the performance of oil palm plantation companies in West Kalimantan Province needs to be supported by a conducive environment situation, both macro environment, industrial environment and internal environment of plantation companies. In terms of these environmental aspects, based on preliminary research conducted, the current oil palm plantation companies in West Kalimantan province face several problems, among others: (1) Obstacles in the development of the garden caused by the prolonged economic crisis; (2) the business climate in the plantation industry is less conducive due to social upheaval, frequent law violations and slow law enforcement; (3) the participation of the community and government to encourage and mobilize the development of market-oriented plantation

production is still not synergy; (4) the consumer or buyer (customer) demands the improvement of the quality of the palm oil product; (5) there is increasing competition between oil palm plantation companies, particularly in determining the selling price of palm oil to palm oil mills; (6) the selling price of palm oil and CPO/PKO is still fluctuating and difficult to anticipate by farmers/ planters or plantation companies so often cause turmoil; (7) the productivity of the garden is relatively low due to the level of soil fertility and the technical culture applied and the garden is poorly maintained; and (8) the processing of plantation products is still semi-finished so it has not been able to increase the added value for farmers and product competitiveness. In further examination, the overall problems faced by oil palm plantation companies in West Kalimantan Province as mentioned above are closely related to the factors contained in (Sok and O'Cass, 2011) thinking frameworks concerning market-based economic which has three unique economic characteristics, namely: Customer focus, competitor orientation, and team approach. Taking into consideration the paradigm of market-based economic or market-oriented business, this study will examine the interrelationships between variables focusing on customers, competitor intelligence, cross-functional working relationships, competitive advantage, and economic performance in oil palm plantation companies in West Kalimantan Province. The reasons behind the implementation of this research are: (1) Oil palm plantation companies are industries that play a large role as economic pillar of West Kalimantan Province, and (2) have not found specific research involving variables focus on customer, competitor intelligence, relations cross-functional work in conjunction with competitive advantage and economic performance in oil palm plantation companies in West Kalimantan Province.

## 2. THEORETICAL REVIEW

This study was conducted with the aim of analyzing the relationship or influence of the focus on the customer, competitor intelligence and cross-functional working relationship to competitive advantage and economic performance. To understand customer needs and deliver customer satisfaction, a company is required to apply customer focus in its business activities (Thakur and Workman, 2016). Customer needs are everything desired by customers both related to products and services. While customer satisfaction is the level at which a customer feels satisfied or dissatisfied with a business, product, or specific aspect of a product or service that complements the business. To achieve customer satisfaction, oil palm plantation companies need to pay attention to product delivery system, product or service performance, corporate/product/brand image, price value associated with value received by customers, employee performance, competitive advantage and weakness (Martin et al., 2017). Meeting the needs and customer satisfaction is done by the company through economic activities. Economic is a social and managerial process in which individuals or groups aim to meet their needs and desires through creativity, supply and exchange of product value with others. In the context of the oil palm plantation industry, indirect economic activities are directed to customers for individual consumption but are intended for the purpose of a business process of production. Therefore, companies in the oil palm plantation industry need to understand their target customers, which is companies or industries that buy palm oil products (Von Geibler, 2013). In general, the target market for palm oil products is the buyers of downstream palm oil industry or industry such as oil goring, margarine and ole chemical. The palm oil industry is a collection of companies engaged in palm oil business. It is engaged in the same business field then companies in the

oil palm plantation industry will face competition. To understand the strengths and weaknesses of each competitor, the oil palm plantation company needs to run a competitor intelligence, which is the process of acquisition and analysis of publicly available information to achieve corporate goals with organizational learning facilities, improvements, differences and competitor targets. By running competitor intelligence, inputs, outputs and other activities in palm oil plantation companies will become more competitive. Competitor intelligence activities include searching the database, conducting customer surveys, interviewing suppliers and other channels, forming strategic alliances with competitors, and evaluating competitor products (Walter et al., 2006). Achieving customer satisfaction is essentially an effort by a company to create superior customer value. These efforts need to be undertaken by all parts of the company within a cross-functional

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Issue 5 • 2018 174 working relations framework in an integrated and coordinated manner. The cross-functional work relationship takes place at two levels of organizational analysis, which is the level of the individual across the organization and the group level representing inter-departmental dynamics. In this case every individual within the company is required to contribute and deliver superior value to customers (Uncles et al., 2013). The superior value of the customer (superior customer value) is an important factor in the company, where every individual and function within the company has a shared responsibility to create and deliver customer value. Every function within a company is required to interact with each other and consolidate that leads to the company's overall goal. In developing cross-functional working relationships, companies are required to have sensitivity to the needs of every department or part within the company. Effective cross-functional working relationships are expected to have a synergistic impact on the business of the company as a whole. The working relationship includes communication, perspective, responsiveness and compatibility (Yuriyama and Kushida, 2010). Firms capable of implementing customer focus, competitor intelligence and effective cross-functional working relationships in their business activities can have competitive advantages, the above-mentioned relative superiority that goes on continuously and translates into the perceived benefits of targeted customers (Hanif, 2010). The competitive advantage consists of sources of advantage, position of advantage, performance outcomes, and profit investments to sustain an advantage (investing to sustain advantage). Competitive advantage can basically be developed from the company's ability to create value that exceeds the cost incurred by the company to create that value (Value and Strategy, 1999). Values are what the buyer is willing to pay and the superior value comes from a lower price offer than a competitor to benefit commensurately or provide unique benefits rather than simply offset a higher price. Competitive advantage is an ever-changing target so that company economic needs to use some of its profits to maintain that advantage. When further examined, variables such as customer focus, competitor intelligence and cross-functional employment are sources of competitive advantage for a company. Therefore, market-oriented companies are required to adapt the capabilities to the needs of their customers in the sense of understanding customer needs and delivering

customer satisfaction that ultimately can create and maintain their competitive advantage (Barney, 1991). Based on the above description of the framework, it is clear that the relationship of customer focus variables, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance. A clearer picture of the relationship or relevance of these variables can be elaborated through a review of the results of research related to market orientation as found in a study by (Lumpkin and Dess, 2001). From the results of his research concluded there is a relationship between market orientation that includes the development of intelligence, dissemination of intelligence and a sense of responsibility with the company's performance with various environmental conditions. This finding is supported by research by (Lumpkin and Dess, 2001) which concludes a stronger relationship between market orientation consisting of customer orientation, competitor orientation and inter-functional coordination with firm performance where there is market volatility and high technological change. Referring to the results of the research findings as stated above that the focus on customers, competitor intelligence and cross-functional working relationships that are key elements of market orientation have a good influence on the company's competitive advantage as well as company performance including economic performance (Boons et al., 2013). Based on preliminary studies it was revealed that companies in the oil palm plantation industry in West Kalimantan Province have not yet focused on customers, competitor intelligence, cross functional working relationships, and optimum competitive advantage (Emrah, 2010). This should be done on each target market in order to improve the performance of the company, especially economic performance. This research involves customer focus variables, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance determined based on literature studies and studies of previous research results deemed relevant and adapted to the characteristics of oil palm plantation companies in Indonesia, especially in West Kalimantan Province. The customer focus indicator is: Delivery system, product performance, price-value relation image, employee performance/performance and competition. Competitor intelligence uses indicators: Communication, perspective, responsibility and compatibility. Variables of competitive advantage are described first through the dimensions of source superiority, position advantage, achievement of end result and earnings investment (Raman and Shahrur, 2008). Referring to these dimensions, furthermore, indicators that consist of superior skills, superior resources, superior control, superior consumer value, low cost, customer satisfaction, customer loyalty, market share, profitability, profitability to maintain competitive advantage. The economic performance indicators consist of: Sales volume, sales volume growth, market share and market share growth for domestic market (Tanasković and Jandrić, 2015). Overall frame of mind as a paradigm of this study explained that between the variable focus on the customer, competitor intelligence and cross-functional work relationships each affect the competitive advantage. Furthermore, between customer focus variables, competitor intelligence and cross-functional working relationships affecting economic performance and competitive advantage have an influence on economic

performance of oil palm plantation companies in West Kalimantan Province (

Al-Tuwaijri et al., 2004). Based on the framework as has been stated in the previous section, it can be formulated hypothesis as follows: (1) Customer focus, competitor intelligence and cross-functional working relationships affect

the company's competitive advantage either

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oil palm plantation companies in West Kalimantan Province, (3) competitive advantage affects the company's economic performance at oil palm plantation company in West Kalimantan Province. 3.

**METHODOLOGY** This research focuses on customer, competitor intelligence and cross-functional working relationship as independent variable and competitive advantage and economic performance as dependent variable. This research is descriptive and verification using descriptive survey method and explanatory survey with questionnaire as research instrument. Path analysis (path analysis) is used in statistical tests. This study uses a unit of analysis of the company, namely the managers of oil palm plantation companies in West Kalimantan Province. Because the data/information in this study is collected directly from the field with the aim to know the respondent's perception of the object under study, then based on the time horizon, this research is cross-sectional (Coelho and Henseler, 2012). The data required in this study consisted of primary data and secondary data collected using combination techniques, namely in the form of observation, questionnaires, and interviews. Aspects of questions/statements in questionnaires and interviews include everything related to customer focus, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance. The measurement scale used is a Likert scale of 1–5. Each variable/sub variable has a different number of items depending on the characteristics measured. The population of this study were all oil palm plantation companies in West Kalimantan Province with the minimum sample size (n) of this study were 63 companies calculated using the iteration formula in path analysis. Because the population in this study is >100, which is 85 companies, it is better taken all so that the research is a population study (Goltz, 2010). To determine the level of validity and reliability of the questionnaire conducted a test questionnaire. From the result of the trial, there is no change of principle and substantive of item statement in the questionnaire so that the questionnaires can be disseminated to all research target population, that is 85 companies. From the dissemination done to the time limit set as many as 77 questionnaires returned and 8 questionnaires otherwise not returned. Thus, as many as 77 questionnaires can be processed in the next data analysis. Test the validity of the questionnaire in this study was conducted with the help of software SPSS 11.0 with the final result states that the



questionnaire items for each variable in this study stated valid. Reliability testing questionnaire in this study using split- half technique with the final result states that the Alpha Cronbach coefficient above 0.7 so that the questionnaire reliable. 4. RESULT AND DISCUSSION 4.1. Customer Focus Implementation 4.1.1. Product delivery system Based on the research data, it is found that almost all (88.3%) of oil palm plantation companies in West Kalimantan Province have implemented the function of product delivery system by involving all parts of the company in a compact or integrated manner. Furthermore, based on field data is also found companies that are able to run the product delivery system in a very integrated, which is as much as 3.9%. However, there are 5.2% of oil palm plantation companies in the Province of West Kalimantan that carry out the function of a less integrated product delivery system and 2.6% carry out the function of unified product delivery systems, making it difficult for these companies to avoid threats degradation of product quality as a result of the constraints faced in the process of product delivery (Haverila and Fehr, 2016). Based on research data, it is known that almost all (89.6%) of oil palm plantation companies in West Kalimantan Province declare the function of their product delivery system running in a coordinated manner. Meanwhile, it was found that the company was able to run the product delivery system in a very coordinated manner, ie as much as 3.9%. Meanwhile, the company that states the function of system delivery of its products run in a less coordinated recorded as much as 6.5%. Level of understanding of the leaders of the company on the needs and desires of customers in

oil palm plantation Company in West Kalimantan Province. Based on field data obtained information that the leader of oil palm plantation companies in West Kalimantan Province

which states understand the needs and desires of customers is as much as 76.6%. Meanwhile, there is also found a company that states that the leader is very understanding of the needs and desires of customers, ie as much as 18.2%. While companies that say less understand the needs and desires of customers only 5.2% which means it is quite difficult for these companies in identifying, selecting the target market and positioning the product it produces. Information on the results of research states that companies with employees who understand the needs and desires of customers is as much as 77.9%. Even as many as 18.2% of companies claim to have employees who really understand the needs and desires of customers. Meanwhile, found as many as 3.9% of companies that claim to have employees do not understand the needs and desires of customers. This study shows that each of 72.7% and 22.1% of the company's managers stated responsive and very responsive to the needs and desires of customers. Meanwhile, only 5.2% of company leaders who stated less responsive to the needs and desires of customers. The lack of leadership of oil palm plantation companies in West Kalimantan Province for the needs and desires of its customers can lead to inconsistencies between the products offered companies with customer expectations so that at one time can reduce customer loyalty. In line with the responsiveness of the leaders of oil palm plantation companies in West Kalimantan Province to the needs and desires

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Issue 5 • 2018 176 of the customers, the employees of these companies, ie 74% and 18.2% respectively stated responsive and highly responsive to the needs and desires of the customers. Only 7.8% of a palm oil plantation company in West Kalimantan Province which stated that its employees are less responsive to the needs and wants of customers. This means that the employees of the company have not realized the importance of having sensitivity to the needs and desires of customers. 4.1.2. Product performance Quality products are a top choice for customers to make a preference in the buying process. Research data informs each of 85.7% and 10.4% of oil palm plantation companies in West Kalimantan Province offer quality and high quality products to customers. Meanwhile, only 3.9% of companies offer less quality products (Trentin et al., 2012). Based on this research data, 90.9% of oil palm plantation companies in West Kalimantan Province declare offering superior products to their customers and 5.2% of companies say they offer excellent products. Meanwhile, as many as 3.9% of companies claim to offer products that are less superior or have quality below that offered by a competitor company. The less superior product will be difficult to accept the market so that it can lower the level of sales that can ultimately reduce the profitability of the company. 4.1.3. Image Based on the research data obtained 84.4% of oil palm plantation companies in West Kalimantan Province stated that the image of the company affect the customer satisfaction and as many as 11.7% of companies stated that the company's image is very influential on customer satisfaction. Meanwhile, as many as 3.9% of companies stated that the company's image is less influential on customer satisfaction (Zhang, 2015). 4.1.4. Price-value relationship Based on research data of West Kalimantan stated that the price set by the company in accordance with the brand value of the products it offers and as much as 16.9% of oil palm plantation companies in West Kalimantan Province stated that the price set very as the brand value of products offered to customers. Meanwhile, only 1.3% of firms declared pricing less appropriate to the brand value of the offered product (Munnukka, 2008). 4.1.5. Performance/achievement of employees Based on research data known as each 84.4% and 10.4%

of oil palm plantation companies in West Kalimantan Province stated that the performance of employees of the

company is influential and very influential on customer satisfaction. In addition, each also found 2.6% of companies that stated that the performance of employees less influential and no effect on customer satisfaction (Grant, 2012). Based on the research data, information obtained by 83.1% of oil palm plantation companies in West Kalimantan Province states that all parts of the company work together to create product performance in order to meet customer satisfaction. Even as many as 15.6% of oil palm plantation companies in West Kalimantan Province stated that all parts of the company are working together to create product performance in order to meet customer satisfaction. Meanwhile, only 1.3% of companies in the oil palm plantation industry in West Kalimantan Province declare that they

are less cooperative. In addition to creating product performance, cooperation of all parts within the company is needed to create a product delivery system. Based on field data, 84.4% of oil palm plantation companies in West Kalimantan Province stated that all parts of the company are cooperating to create a product delivery system in order to meet customer satisfaction. Meanwhile, as many as 13% of companies stated very cooperate to create a product delivery system in order to meet customer satisfaction. While as many as 2.6% of companies in the oil palm plantation industry in West Kalimantan Province declared less cooperate to create a product delivery system.

4.1.6. Competition Based on field data, 71.4% and 13% of oil palm plantation companies in West Kalimantan Province are aware of and understand the strength of other companies as competitors. Meanwhile, the data of this study found also the existence of companies that stated less understanding of the strength of its competitors, which is as much as 15.6%. This means that these companies are less aware of the importance of information about competitors' power in deciding on their competitive strategy (Matsa, 2011). It is known that 71.4% and 9.1% of oil palm plantation companies in West Kalimantan province understand and understand the weakness of other companies as competitors. Meanwhile, as many as 18.2% of companies said they do not understand the weaknesses of competitors and 1.3% say they do not understand the weaknesses of competitors. Thus, based on field data it can be argued that almost all companies in the oil palm plantation industry in West Kalimantan Province understand the weakness of their competitors. The research data shows that 63.6% and 16.9% of oil palm plantation companies in West Kalimantan Province understand and understand the gap between customer's desire and the other company's offer as a competitor. While companies that do not understand the gap between customer desires and competitor's offer is as much as 2.6%. From the overall description of the implementation of customer focus as stated above, it is clear that almost all companies in the oil palm plantation industry in West Kalimantan Province have been able to run a good customer focus. This fact is indicated by the following (Lumpkin and Dess, 2001):

1. The product delivery system has been able to run in an integrated and coordinated manner that is supported by the possessing of responsiveness and understanding of company members either individually or in groups in the parts of the company to meet the needs and desires of its customers.
2. The company has been able to produce and offer quality and superior palm oil products to its customers.

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3. The company has an understanding of the importance of paying attention to the company's image because it can affect the achievement of customer satisfaction.
4. The company has understood the importance of paying attention to the relationship between the price paid by the customer and the value offered by the company for the products it is economic.
5. The company has realized the importance of paying attention and improve the performance/achievement of its employees because it can affect the achievement of customer satisfaction. In addition, the company has realized also the importance of all parts of the company working together to meet the performance and product delivery system.
6. The company has understood the strengths and weaknesses that

other companies have as competitors and understands the gap between the buyer's desire and the offer given by the competitors. 4.2. Competitor Intelligence Implementation 4.2.1. Database Based on research data, it is known that each of 44.2% and 11.7% of oil palm plantation companies in West Kalimantan Province have few and very few competitors. Meanwhile, as many as 35.1% of companies claim to have the number of competitors are categorized being. While as many as 2.6% of companies have many competitors and as many as 6.5% of companies have very many competitors. Thus, based on this research data, less than half the number of companies in the oil palm plantation industry in West Kalimantan Province has a few competitors (Ang, 2011). Based on the research data known respectively as much as 61% and 2.6% of oil palm plantation companies in the Province of West Kalimantan states understand and deeply understand the strengths and weaknesses of competitors. While 31.2% of companies say less understanding of the strengths and weaknesses of competitors. Meanwhile, each of 1.3% and 3.9% are companies that do not understand and are very unfamiliar with competitors' strengths and weaknesses. The field data provide information that as much as 54.5% of oil palm plantation companies in West Kalimantan Province understand the strategy of competitors in the future. Meanwhile, as many as 32.5% of companies declared less understanding of competitors' strategy in the future. A total of 6.5% of companies stated that they understand the strategy of the competitors in the future and as much as 3.9% of companies said they did not understand and 2.6% of companies said they did not understand the strategy of the competitors in the future. Based on research data obtained information as much as 53.2% of oil palm plantation companies in West Kalimantan Province understand the performance of competitors. A total of 6.5% of companies stated very understand the performance of competitors. While as many as 33.8% of companies stated less understand the performance of competitors. Meanwhile, as many as 3.9% of companies said they did not understand the performance of competitors and as much as 2.6% stated very not understand the performance of competitors. Thus, from field data collected about the company's understanding of competitors' performance, it is illustrated that more than half of companies in the oil palm plantation industry in West Kalimantan Province have understood the performance of competitors. 4.2.2. Customer survey Based on research data can be known as much as 3.9% of companies states very often do customer surveys and as many as 16.9% of companies stated often conduct customer surveys. Meanwhile, 29.9% of oil palm plantation companies in West Kalimantan province rarely conduct customer surveys. Meanwhile, as many as 28.6% of companies said sometimes do customer surveys and as much as 20.8% of companies said they never did a customer survey. Thus based on field data it is known that very few companies are conducting customer surveys (Eid, 2011). 4.2.3. Interview with supplier Based

on the research data, 3.9% of the oil palm plantation companies in West Kalimantan Province report very frequently interviewing suppliers and other channel members as competitor intelligence implementations. A total of 10.4% of companies stated frequent interviews with suppliers and other channel members. While 29.9% of companies stated that they sometimes interviewed suppliers and other channel members. Meanwhile, as many as 27.3% of companies said they rarely interviewed suppliers and other channel members. The remaining 28.6% of companies stated that they never interviewed suppliers and other channel

members in relation to competitor intelligence implementation (Von Geibler, 2013). 4.2.4. Strategic alliances Based

on the research data, 3.9% of oil palm plantation companies in West Kalimantan Province report very frequent strategic alliances with competitors, as many as 9.1% of companies stated that they often make strategic alliances with competitors, as many as 23.4% of firms declare occasionally strategic alliances with competitors, as many as 23.4% of firms declare rarely strategic alliances with competitors, and as many as 40.3% of firms declare never a strategic alliance with competitors (Lyon et al., 2000). 4.2.5. Competitor officer Based on research data obtained information as much as 87% of oil palm plantation companies in West Kalimantan Province never at all hire competitor employees. Meanwhile, as many as 10.4% of companies said they rarely hired competing employees and as many as 2.6% of companies said they sometimes hired competing employees (Grégoire et al., 2014). 4.2.6. Competitor products Based on the research data, there are 10.4% and 3.9% of oil palm plantation company in West Kalimantan Province often and very often evaluate competitor's product. While as many as 27.3% of companies said sometimes to evaluate the product competitors. The remaining 24.7% and 33.8% respectively stated that they rarely and never evaluate competitors' products at all.

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Issue 5 • 2018 178 4.3. Implementation of Cross-functional Working Relationships 4.3.1. Communication Based on the research data, 90.9% and 5.2% of the leaders of oil palm plantation companies in West Kalimantan Province declared free and very free to exchange ideas. Meanwhile, as many as 3.9% of the company's managers stated less free to exchange ideas that indicate that the leadership process in these companies can not run effectively so that the vision, mission and goals of the company can not be transformed properly (Reissner and Pagan, 2013). Based on research data known respectively as much as 3.9% and 89.6% leaders of oil palm plantation companies in West Kalimantan Province declared very free and free to exchange information. Leaders of companies that states less freely states the exchange of information is only 6.5% which means that the leaders of these companies are still facing obstacles in the process of information exchange so that almost also in the decision-making process. Based on the research data, 6.5% and 84.4% of palm oil plantation companies in West Kalimantan Province stated that they are very open and open in exchange of ideas. Only 9.1% of corporate leaders stated that they are less open in exchange of ideas so that members of the company are still experiencing difficulties in interpreting and executing the idea of the leadership of the company. Based on the research data, each information obtained as much as 3.9% and 90.9% of the leaders of oil palm plantation companies in West Kalimantan Province stated very open and open in the exchange of information. While the head of the company that states to exchange information less openly only as much as 5.2%. This means that the process of exchanging information on these companies has not proceeded as expected because it can not be conveyed as it can inhibit

the decision-making process. 4.3.2. Perspective Based on research data obtained by each information as much as 6.5% and 85.7% of the leaders of oil palm plantation companies in West Kalimantan province is very initiative and take the initiative to consider the opinions of its customers. Only 7.8% of the company's leaders stated that they did not take the initiative to consider customer opinion (Yang et al., 2016). Based on the research data obtained information of each as much as 7.8% and 84.4% of the leaders of oil palm plantation companies in West Kalimantan Province stated very open and open consider the opinion of other functions in the company. Only 6.5% of the company's leaders stated that it was less open and 1.3% of the company's leaders stated that they were not open to consider the opinion of other functions in the company. Based on the research data, 15.6% of the information obtained by the head of the oil palm plantation company in West Kalimantan Province stated that it is very capable of considering the opinion of the customers and 77.9% of the company's managers stated that they are able to consider the opinions of the customers. Only 6.5% of the company's managers said they lacked the ability to consider customer opinions. Corporate leadership level considering opinions of other functions in the company. Based on the research data, 14.3% of the leaders of palm oil plantation companies in the Province of West Kalimantan declared their ability to consider the opinion of other functions in the company and 77.9% of the company's managers stated that they were able to consider the opinion of other functions in the company. Only as many as 7.8% of the leadership of the company that states lack the ability or capability to consider opinions of other functions in the company. 4.3.3. Responsiveness Based on the research data, 11.7% of the information obtained by the head of oil palm plantation companies in West Kalimantan Province stated that they are consistent in handling customer demand and 84.4% of the companies are consistent in handling customer demand. Only as many as 3.9% of the company's leaders stated that it handles customer demand in a less consistent manner. This shows that customer demand for these companies has not been properly responded so it is very difficult for these companies to meet their customer satisfaction (Pisharodi et al., 2003). Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province is very consistent to handle the demand of other functional areas within the company and as many as 85.7% of the company leadership stated consistently handle the demand of other functions in the company. Only as much as 6.5% of the company's managers stated that it handles the demand for other functions within the company in a less consistent manner. Based on research data, 11.7% of the information obtained by the head of oil palm plantation company in West Kalimantan province is very capable in considering customer demand and 84.4% of the company's managers stated that they are capable of considering customer demand. Only 3.9% of the company's leaders stated that they lacked the ability or capability in considering customer demand. Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province is highly capable of considering the demand for other functions in the company and as many as 84.4% of the company's leadership expressed the ability to consider the demand for other functions in the company. Only 7.8% of the company's leaders stated that they lacked the ability or capability in considering the demand for other functions within the company. Judging from the level of initiative, 9.1% of the leaders of oil palm plantation companies in West Kalimantan Province

stated very initiative in handling customer demand and as much as 90.9% of the company leadership stated initiative in handling customer demand. This indicates that the leaders of these companies have the will to seek information what the needs and desires of customers

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Issue 5 • 2018 179 that must be followed up in the form of company activity to achieve customer satisfaction. Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province stated very initiative in handling the demand for other functions in the company and as many as 85.7% of the company's leaders stated initiative in handling the demand of other functions in the company. Only 6.5% of the company's leaders stated that they lacked the initiative to handle the demand for other functions within the company. This reflects the leadership of the company is less aware of the importance of paying attention to the demand for other areas of function within the company that can not be separated from efforts to achieve customer satisfaction.

4.3.4. Compatibility Based on research data obtained information as much as 10.4% of the leaders of oil palm plantation companies in West Kalimantan Province stated the company's goals are formulated very clearly and as many as 88.3% of the company's leaders stated the company's objectives are formulated clearly. Only 1.3% of the company's leaders in the oil palm plantation industry in West Kalimantan Province stated that the company's objectives were formulated less clearly (Jones et al., 2011).

4.4. Excellence Competing Company

4.4.1. Source excellence Based on the research data obtained information that the most categories of companies in the oil palm plantation industry in West Kalimantan Province has a moderate skill level of 48.1%. Whereas as many as 44.2% of companies in the oil palm plantation industry in West Kalimantan Province declared a high level of skill. Meanwhile, companies that claim to have very high or superior skill level of only 2.6%. However, this study also found companies that have low skill level, that is as much as 5.2% (BCG, 2015). Information obtained by 54.5% of oil palm plantation companies in West Kalimantan Province has medium resource quality which implies that the dimensions of excellence in these companies have not been formed as expected. Furthermore found also companies that claim to have resources with high category, that is as much as 37.7%. Meanwhile, as many as 5.2% of companies in the oil palm plantation industry in West Kalimantan Province have low resource categories. Meanwhile, companies that claim to have very high or superior resources are 2.6% where these companies have strong dimensions of excellence so that there are no significant obstacles in the face of competitive arena and can even easily win the competition. It is known that 51.9% of oil palm plantation companies in West Kalimantan Province have implemented a good controlling process. Furthermore, as many as 46.8% of companies in the oil palm plantation industry in West Kalimantan Province declared the process of controlling with the category of being. Meanwhile, companies that claim to have excellent or superior control are 1.3% which means that managers in these companies are well aware of the health of their business so that they are better able to achieve superior performance.

4.4.2. Position excellence Information obtained by 64.9% of oil palm plantation companies in West Kalimantan Province stated that providing value of

customers in the form of good product value. Meanwhile, as many as 26% of companies stated to provide the value of customers with the category of being. This means that these companies are not yet fully able to offer products with a perception of quality or benefits that match the perceptions of prices paid by customers. While companies that claim to provide value of customers in the form of product value with excellent or superior recorded as much as 9.1% where they have the full ability to offer products with the perception of quality or benefits in accordance with the perception of prices paid by customers (Anggraeni, 2014). Based on research data obtained information as much as 76.6% of oil palm plantation companies in West Kalimantan Province states set the price of the product is. The price level of the product means that the price of the product that the company offers to customers is in the low-cost and expensive range. In the meantime, 15.6% of companies declared the price of expensive products. The study also found that 3.9% of oil palm plantation companies in West Kalimantan Province stated that the company's product price is very cheap compared to other companies and as much as 3.9% of the companies declared the price of cheaper products.

#### 4.4.3. Outcome achievement

Based on research data known as 53.2% of companies in the oil palm plantation industry in West Kalimantan Province stated doing business offer products to customers with strong. Even as many as 7.8% of oil palm plantation companies in West Kalimantan Province claim to be able to offer products to their customers very strongly illustrating that these companies have a much better performance so that their customers feel satisfied. While as many as 39% of oil palm plantation companies in West Kalimantan Province stated the category is in doing business offering products to customers (Sok and O'Cass, 2011). The research data shows the level of customer loyalty to the product of oil palm plantation company in West Kalimantan Province. Based on the figure, 93.5% of the companies said their customers are loyal and 3.9% of oil palm plantation companies in West Kalimantan Province stated their customers are very loyal. Meanwhile, as many as 2.6% of these companies declare their customers are less loyal, which means less have an emotional bond between the company and customers. Based on research data known respectively as much as 48.1% and 3.9% of companies in the oil palm plantation industry in West Java Province claimed a high market share and very high. While 44.2% of oil palm plantation companies in West Kalimantan Province claimed a moderate market share and the remaining 3.9% said they achieved low market share. This fact indicates the need to improve the capability of the company related to the ability to predict future sales of the company and the ability to position the company's products in the actual market. Based on field data known as 57.1% of companies in

the oil palm plantation industry in West Kalimantan Province stated able to

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Issue 5 • 2018 180 achieve profit in the category of being. This study found also 29.9% of oil palm plantation companies in West Kalimantan Province that claimed to achieve high profits. It seems that business activities in these companies can run more efficiently and do not



encounter significant obstacles in an effort to continue to improve corporate profits. Meanwhile, the remaining 13% of companies said it could achieve profit with low category.

4.4.4. Profit investment Based on research data obtained information as much as 31.2% of oil palm plantation companies in West Kalimantan Province states set aside some of the profit obtained by high category. Meanwhile, 51.9% of the companies stated that they set aside some of the profit earned by the medium category. The data of this study found also as much as 16.9% of companies stated set aside some of the profit obtained with low category (Zablah et al., 2016).

4.5. Corporate Economic Performance

4.5.1. Sales Based on the research data, it is known that 51.9% of oil palm plantation companies in West Kalimantan Province get the average annual level of domestic sales volume in the range of 91–100% than expected. This study also found a number of companies that get the level of annual domestic sales volume of categorized as high, that is as much as 24.7%. These firms have an annual level of annual domestic sales volume that is better than previously described because it is able to achieve an annual level of domestic sales volume in the range of 101–110% or above 100% than expected. Furthermore, it was found that the company obtained an annual level of annual domestic sales volume with a very high category of 3.9%, which means that it can achieve annual domestic sales volume of more than or equal to 111% of the expected. Meanwhile, as many as 19.5% of companies in the oil palm plantation industry in West Kalimantan Province received an annual low level of annual domestic sales volume of 76–90% (Grant, 2012). Based on research data, 53.2% of oil palm plantation companies in West Kalimantan Province obtained a moderate growth rate of domestic sales volume of 91–100%. Meanwhile, the company that gained low growth rate of domestic sales volume with low category is quite a lot, that is as much as 24.7%. These companies are only able to achieve economic performance in the range of 76–90% than expected. The research also found that companies that have high and very high growth of domestic sales volume are 18.2% and 3.9% respectively. These companies are able to achieve domestic sales volume growth above 100% than expected so that it can be concluded has a economic capability much better than the company described earlier.

4.5.2. Market share It is found that 50.6% of oil palm plantation companies in West Kalimantan Province earn annual domestic market share with medium category, which is in the range of 91–100% than expected. Meanwhile, as many as 36.4% of oil palm plantation companies in West Kalimantan Province claimed to reach an annual domestic market share with high category, which is in the range of 101–110% than expected. These companies are able to capture the above market share from the targeted so that the profitability gained becomes increased. Increased profitability provides an opportunity for the company to continue to develop its field of business. This study also found a number of companies that claimed to reach the annual domestic market share with low category or reach market share below 100% than expected, ie as much as 13% (Pirard, 2012). The growth of domestic market share of oil palm plantation companies in West Kalimantan Province in 2000–2005 shows that as many as 46.8% are in the medium or new category can reach 91–100% than expected. This means that the potential of these companies to achieve competitive advantage is far from being expected. Of particular concern are 24.7% and 1.3% of oil palm plantation companies in West Kalimantan Province have experienced low and very low domestic market share growth ranging from 76% to 90% and  $\leq 75\%$  of the expected. These companies are experiencing many obstacles related to creating competitive advantage

so that their competitive ability becomes low. Meanwhile, 26% and 1.3% of companies in the oil palm plantation industry in West Kalimantan Province grew the growth of domestic market share with high and very high category or above 100% than expected. In general, based on field data about the company's economic performance in oil palm plantation companies in West Kalimantan Province, it is known that not all plantation companies are able to achieve economic performance above 100% than expected. This fact is a crucial obstacle that must be overcome in relation to efforts to improve the overall performance of the company in order to achieve the optimal contribution rate of performance improvement of national oil palm plantation companies to achieve the target of Indonesia able to shift the position of Malaysia as world palm oil producer in 2010. 4.6. The Influence of

Customer Focus, Competitor Intelligence and Cross-functional Employment Relationship to Competitive Advantages and Economic Performance 4.6.1. The influence of customer focus, competitor intelligence and cross-functional employment relationship

to competitive advantages The formulation of hypothesis 1 states that customer focus (X 1 ), competitor intelligence (X 2 ) and cross-functional work relationship (X 3 ) influence the company's competitive advantage (Y). From the results of hypothesis testing 1 can be concluded that this study only found a significant influence of competitor intelligence to the company's competitive advantage. The amount of competitor's intelligence contribution to the company's competitive advantage is  $\rho^2_{yx} = (0.532)^2 = 0.272509$  or 27.25%. The results of this analysis indicate that competitor intelligence has become a factor consideration of the palm oil plantation industry and affect the company's competitive advantage. The competitor's intelligence influence on the company's competitive advantage is large enough that competitor intelligence changes can bring considerable change to the company's competitive advantage. The contribution of other factors affecting the competitor's intelligence relation to

the company's competitive advantage is  $(0.7197)^2 = 0.5180 \times 100\% = 51.80\%$ . The

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Issue 5 • 2018 181 results of the analysis indicate that there are still many factors that affect the company's competitive advantage outside the competitor's intelligence that requires further research. 4.6.2. The influence of customer focus, competitor intelligence and cross-functional employment relationship to economic performance Testing of hypothesis 2 which states the focus on the customer, competitor intelligence and cross-functional working relationships affect the economic performance is done by the same procedure as hypothesis testing. (1) The results of testing hypothesis 2 shows that the direct contribution of the competitor's intelligence to the economic performance of the company is 20.52% and the indirect influence of competitor intelligence through cross-functional employment relationships to the company's economic performance is 4.99%. While the overall influence of competitor intelligence on the company's economic performance is 25.51%. This indicates that the competitor's intelligence affects the company's economic performance. 4.6.3. The

influence of cross-functional employment relationship to the company's economic performance From the test results it is known that the direct contribution of inter-functional working relationship to the company's economic performance is 9.06% and the indirect effect of cross- functional work relations through the competitor's intelligence to the company's economic performance is 4.99%. While the influence of the overall working relationship cross function to the company's economic performance is 14.05%. This indicates that the inter-functional working relationship has an effect on the company's economic performance. The overall influence of competitor intelligence variables and cross-functional employment relationships on firm economic performance results  $R^2_Z(X_1, X_2, X_3) = (0.453)^2 + (0.563)^2 + (0.301)^2 = 0.467 = 0.395606$ . The degree of influence of other variables outside the competitor's intelligence and cross-functional employment relationships to company economic performance not included in the scope of this study is calculated. From the calculation results obtained  $\rho_{Z\epsilon} = 0.7742$ . Thus it can be stated that the contribution of other factors affecting the competitor's intelligence relation and cross-functional working relationship to the company's economic performance is  $(0.7742)^2 = 0.6044 \times 100\% = 60.44\%$ .

#### 4.6.4. The influence of competitive advantages on economic performance

From the calculation of correlation using SPSS software obtained correlation coefficient between Y to Z or  $r_{yz}$  of 0.744 which is no other coefficient value of the path from Y to Z or  $\rho_{zy}$ . The results of this calculation gives a value of  $t = 9.6430$ . From the distribution table  $t$  with degrees of freedom  $df = n-2 = 77-2 = 75$  and  $\alpha = 0.05$  obtained  $t_{table}$  value of 2.287292. Thus, the  $\rho_{zy}$  path coefficient is declared significant because  $t_{hitung} < t_{table}$ . While the influence of other variables on Z outside Y obtained value  $\rho_{Z\epsilon} = 0.6682$ . Based on the above calculation it can be stated that the hypothetical proposition in the formulation of hypothesis 3 of this study is acceptable, since the path coefficient from Y to Z is statistically significant or significant. This indicates that the company's competitive advantage influences the company's economic performance. The magnitude of the direct influence between Y and Z is  $(0.744)^2 = 0.5535$  or 55.35% which means that changes in the company's competitive advantage have a big impact on changing the company's economic performance. While the influence of other variables outside the variables of the company's competitive advantage to the company's economic performance is equal to  $\rho_{Z\epsilon}^2 = (0.6682)^2 = 0.4465$  or 44.65%. This shows that there are still many factors that affect the company's economic performance beyond the company's competitive advantage that requires further research. Thus, it can be stated that the increase in competitive advantage depends on competitor intelligence. Meanwhile, economic performance improvements depend on competitor intelligence and cross-functional working relationships, but the high level of economic performance achievement depends also on the company's competitive advantage. Based on the market-based economic process conducted by the oil palm plantation industry, it is illustrated that: (1) The Company has implemented a focus on the customer by taking into account factors of product delivery system, product performance/performance, brand/company image, price-value relationship, employee performance, and competition; (2) In the implementation of competitor intelligence the company has noticed the availability of competitor databases, less attention to customer surveys, less attention to the interviews of suppliers, less attention to the importance of strategic alliances with competitors, no consideration at all the importance of hiring competitor employees, paying attention to the importance of evaluating competitors'

products; (3) Working cross-functional relationships within the company have been running well supported by the effective communication process based on the high perspectives of managers with high responsiveness as well to create high compatibility among managers within the company; (4) Firms are capable enough to create competitive advantage by taking into account the factors of source excellence, position advantage, end result achievement, and setting aside some of the profits as an investment to maintain competitive advantage (Wiklund and Shepherd, 2003). Considering that competitor intelligence has an effect on competitive advantage and competitive advantage influence to economic performance, less competent competitor's intelligence can weaken the company's competitive advantage and ultimately create barriers for the company to achieve its economic performance. On the other hand, the achievement of the economic work depends also on the cross-functional working relationships run within the company. Thus, although intelligence competes in the company runs less effectively but because the cross-functional working relationship within the company can run well then the company is still able to achieve economic performance that can be seen from the acquisition of sales volume and market share and each growth (Song and Chen, 2014).

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world market demand for palm oil and its derivative products is an opportunity for oil palm plantation industries in Indonesia, especially in West Kalimantan Province to continue to increase competitive advantage that can improve the performance of economic. Increasing competitive advantage is determined by the company's ability to run customer focus, competitor intelligence and cross-functional working

relationships. The

competitive advantage of oil palm plantation companies in West Kalimantan Province

is more dominantly influenced by competitor intelligence. Because the competitor's intelligence is less effective, the competitive advantage created becomes less powerful. Overall competitor intelligence affects economic performance. But given the competitor's intelligence is not supported by accurate information about the behavior of competitors, then the competitive advantage of palm oil plantation companies have not been able to provide optimal results for economic performance. To conduct competitor intelligence, oil palm plantation companies in West Kalimantan Province have sought to provide competitor databases, conduct customer surveys, interview suppliers, form strategic alliances to hire/hire competitor employees, and evaluate competitors' products. In fact, not all companies in the oil palm plantation industry in West Kalimantan Province have been able to competently compete their intelligence, particularly those related to customer surveys, supplier interviews, strategic alliances, hiring/hiring of competing employees, and evaluating competitors' products. Because the competitor's intelligence done by the company is less

effective then the company is less able to create a strong competitive advantage so that the acquisition of economic performance becomes less optimal. The acquisition of economic performance is also influenced by the ability of companies to do cross-functional work relations, namely how far the ability of corporate managers in terms of communication, perspective, responsiveness and compatibility. In general, companies in the oil palm plantation industry in West Kalimantan Province can perform cross-functional working relationships well so it should be able to achieve optimal economic performance. But because there are other factors, namely competitor intelligence, which affects the company's economic performance in the oil palm plantation industry in West Kalimantan Province, the economic performance achieved is not as expected. The level of competition in the domestic market especially in West Kalimantan Province encourages companies in the oil palm plantation industry in West Kalimantan Province to create and maintain competitive advantage by taking into account the advantages of the source, the position advantage, the achievement of the end result, and set aside some of the profit as an investment to maintain competitive advantage. This competitive advantage has an effect on economic performance which is shown through the acquisition of sales volume and market share and growth rate. But because the competitive advantage is less strong than the competitors, it has not provided a guarantee to improve economic performance. Overall, the results of this study find a new concept model that reveals that to improve competitive advantage, companies need to implement competitor intelligence effectively. The effectiveness of competitor intelligence in addition to affecting competitive advantage also affects economic performance. Meanwhile, to improve the economic performance can be achieved also through the improvement of cross-functional working relationship. Given the company's competitive advantages have a big effect on economic performance, the company needs to create and maintain the competitive advantage it has. REFERENCES BCG. (2015), *Winning through Project Portfolio Management*. (PMI). Available from: <http://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/win-portfolio-management-practitioner-perspective.pdf>. Al-Tuwaijri, S.

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Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan

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ABSTRACT The world market for palm oil and its derivative product tend to be increasing. It is an opportunity for Indonesian palm plantation industry especially in West Kalimantan Province

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International Journal of Economics and Financial Issues, 2018, 8 (5), 172-183. International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 172 Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan Nurmala\* Department of Business Administration, Pontianak State Polytechnic, Indonesia. \*Email: [ibu.nurmala@gmail.com](mailto:ibu.nurmala@gmail.com) ABSTRACT The world market for palm oil and its derivative product tend to be increasing. It is an opportunity for Indonesian palm plantation industry especially in West Kalimantan Province in Indonesia to increase its competitive advantage so it will reach optimum economic performance. The increasing competitive advantage has determined by company ability in implementing customer focus, competitor intelligence, and cross functional working



in Indonesia to increase its competitive advantage so it will reach optimum economic performance. The increasing competitive advantage has determined by company ability in implementing customer focus, competitor intelligence, and cross functional working relationship. This research has conducted beside to find the model of customer focus, competitor intelligence, and cross functional working relationship implementation at palm plantation company in West Kalimantan Province in Indonesia and also to find the influence of those variables to competitive advantage and company economic performance's model. This research uses an approach of economic science with the focus on market-based economic. The observation has been conducted to palm plantation company in West Kalimantan Province in Indonesia producing the palm and its derivative products in the forms of CPO and PKO. The research conducted is descriptive and verification using descriptive and explanatory survey method. This research is population research of 85 companies using a data collecting technique of questionnaires equipped with interview and observation. The field data have been collected and the processed using a path analysis. The research result shows that almost all of company in palm plantation industry at West Kalimantan Province in Indonesia has able to implementing customer focus and cross functional working relationship in its business activity. Meanwhile, only half of company in palm plantation industry at West Kalimantan Province in Indonesia able to implementing competitor intelligence and competitive advantage. It's same with economic performance which only half of company in palm plantation

relationship. This research has conducted beside to find the model of customer focus, competitor intelligence, and cross functional working relationship implementation at palm plantation company in West Kalimantan Province in Indonesia and also to find the influence of those variables to competitive advantage and company economic performance's model. This research uses an approach of economic science with the focus on market-based economic. The observation has been conducted to palm plantation company in West Kalimantan Province in Indonesia producing the palm and its derivative products in the forms of CPO and PKO. The research conducted is descriptive and verification using descriptive and explanatory survey method. This research is population research of 85 companies using a data collecting technique of questionnaires equipped with interview and observation. The field data have been collected and the processed using a path analysis. The research result shows that almost all of company in palm plantation industry at West Kalimantan Province in Indonesia has able to implementing customer focus and cross functional working relationship in its business activity. Meanwhile, only half of company in palm plantation industry at West Kalimantan Province in Indonesia able to implementing competitor intelligence and competitive advantage. It's same with economic performance which only half of company in palm plantation industry at West Kalimantan Province in Indonesia able to achieve high qualification of economic performance. Other outcomes are the competitor intelligence having significant influence on the company's competitive advantage and

industry at West Kalimantan Province in Indonesia able to achieve high qualification of economic performance. Other outcomes are the competitor intelligence having significant influence on the company's competitive advantage and competitor intelligence together with the cross functional working relationship having significant influence on the company's economic performance. Finally, this research found also that the competitive advantage has a significant influence on the company's economic performance.

Keywords: Market-based Economic, Customer Focus, Competitor Intelligence, Cross Functional Working Relationship, Competitive Advantage, Economic Performance JEL Classifications: O13,

P17, Q47 1. INTRODUCTION West Kalimantan Province is located in tropical area with high humidity and air temperature has wide 1.13 times the width of Java island, which is about 146.807 km<sup>2</sup> or 7.53% of the total area of Indonesia. The area of West Kalimantan has a distinct advantage over other provinces in Indonesia, which is directly adjacent to Sarawak-East Malaysia and Brunei. In general, people in West Kalimantan Province work in agriculture. Therefore, the agricultural sector contributes the most to the gross domestic product (GDP) of West Kalimantan Province. The land provided for agricultural development in West Kalimantan Province since 1991 covers an area of 5.2 million hectares and 2.5 million hectares is allocated for the development of plantation commodities. More than 150 companies have obtained Plantation Business Licenses in West

competitor intelligence together with the cross functional working relationship having significant influence on the company's economic performance. Finally, this research found also that the competitive advantage has a significant influence on the company's economic performance. Keywords: Market-based Economic, Customer Focus, Competitor Intelligence, Cross Functional Working Relationship, Competitive Advantage, Economic Performance JEL Classifications: O13, P17, Q47 1. INTRODUCTION West Kalimantan Province is located in tropical area with high humidity and air temperature has wide 1.13 times the width of Java island, which is about 146.807 km<sup>2</sup> or 7.53% of the total area of Indonesia. The area of West Kalimantan has a distinct advantage over other provinces in Indonesia, which is directly adjacent to Sarawak-East Malaysia and Brunei. In general, people in West Kalimantan Province work in agriculture. Therefore, the agricultural sector contributes the most to the gross domestic product (GDP) of West Kalimantan Province. The land provided for agricultural development in West Kalimantan Province since 1991 covers an area of 5.2 million hectares and 2.5 million hectares is allocated for the development of plantation commodities. More than 150 companies have obtained Plantation Business Licenses in West Kalimantan Province to manage 1.5 million hectares of land. Oil palm plantations in Indonesia continue to grow and tend to increase until many times. The area of oil palm in West Kalimantan Province is relatively small compared to the total area of oil palm in Indonesia, but able to contribute significantly to the GDP of

Kalimantan Province to manage 1.5 million hectares of land. Oil palm plantations in Indonesia continue to grow and tend to increase until many times. The area of oil palm in West Kalimantan Province is relatively small compared to the total area of oil palm in Indonesia, but able to contribute significantly to the GDP of West Kalimantan. Viewed from average production, production of

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 •

Issue 5 • 2018 173 oil palm plantations fluctuates, as well as for the condition of oil palm plantations in West Kalimantan Province. Meanwhile, CPO and PKO production continues to increase with export value which tends to increase. The national CPO and PKO production tends to increase and continue to increase in line with the increasing demand, especially the world CPO, which is expected to increase sharply to 40 million tons/year by 2020. Considering the increasing demand for CPO in both domestic and export markets, it is appropriate that the West Kalimantan Provincial Government targets to expand the area of oil palm plantations with increasing production targets. Generally based on ownership status, in West Kalimantan province there are ± 81% smallholder plantation, ± 2.27% State Plantation, and ± 16.89% large private plantation. To support the oil palm plantation industry, in West Kalimantan Province, more

West Kalimantan. Viewed from average production, production of

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To improve the performance of oil palm plantation companies in West Kalimantan Province

needs to be supported by a conducive environment situation, both macro environment, industrial environment and internal environment of plantation companies. In terms of these environmental aspects, based on preliminary research conducted, the current oil palm plantation companies in West Kalimantan province face several problems, among others: (1) Obstacles in the development of the garden caused by the prolonged economic crisis; (2) the business climate in the plantation industry is less conducive due to social upheaval, frequent law violations and slow law enforcement; (3) the participation of the community and government to encourage and mobilize the development of market-oriented plantation production is still not synergy; (4) the consumer or buyer (customer) demands the improvement of the quality of the palm oil product; (5) there is increasing competition between oil palm plantation companies, particularly in determining the selling price of palm oil to palm oil mills; (6) the selling price of palm oil and CPO/PKO is still fluctuating and difficult to anticipate by farmers/ planters or plantation companies so often cause turmoil; (7) the productivity of the garden is relatively low due to the level of soil fertility and the technical culture applied and the garden is poorly maintained; and (8) the processing of plantation products is still semi-finished so it has not been able to increase

research conducted, the current oil palm plantation companies in West Kalimantan province face several problems, among others: (1) Obstacles in the development of the garden caused by the prolonged economic crisis; (2) the business climate in the plantation industry is less conducive due to social upheaval, frequent law violations and slow law enforcement; (3) the participation of the community and government to encourage and mobilize the development of market-oriented plantation production is still not synergy; (4) the consumer or buyer (customer) demands the improvement of the quality of the palm oil product; (5) there is increasing competition between oil palm plantation companies, particularly in determining the selling price of palm oil to palm oil mills; (6) the selling price of palm oil and CPO/PKO is still fluctuating and difficult to anticipate by farmers/ planters or plantation companies so often cause turmoil; (7) the productivity of the garden is relatively low due to the level of soil fertility and the technical culture applied and the garden is poorly maintained; and (8) the processing of plantation products is still semi-finished so it has not been able to increase the added value for farmers and product competitiveness. In further examination, the overall problems faced by oil palm plantation companies in West Kalimantan Province as mentioned above are closely related to the factors contained in (Sok and O'Cass, 2011) thinking frameworks concerning market-based economic which has three unique economic characteristics, namely: Customer focus, competitor orientation, and team approach. Taking into consideration the paradigm of market-based economic or market-oriented business, this study will

the added value for farmers and product competitiveness. In further examination, the overall problems faced by oil palm plantation companies in West Kalimantan Province as mentioned above are closely related to the factors contained in (Sok and O'Cass, 2011) thinking frameworks concerning market-based economic which has three unique economic characteristics, namely: Customer focus, competitor orientation, and team approach. Taking into consideration the paradigm of market-based economic or market-oriented business, this study will examine the interrelationships between variables focusing on customers, competitor intelligence, cross-functional working relationships, competitive advantage, and economic performance in oil palm plantation companies in West Kalimantan Province. The reasons behind the implementation of this research are: (1) Oil palm plantation companies are industries that play a large role as economic pillar of West Kalimantan Province, and (2) have not found specific research involving variables focus on customer, competitor intelligence, relations cross-functional work in conjunction with competitive advantage and economic performance in oil palm plantation companies in West Kalimantan Province. 2. THEORETICAL REVIEW This study was conducted with the aim of analyzing the relationship or influence of the focus on the customer, competitor intelligence and cross-functional working relationship to competitive advantage and economic performance. To understand customer needs and deliver customer satisfaction, a company is required to apply customer focus in its business activities (Thakur and Workman, 2016).

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Customer needs are everything desired by customers both related to products and services. While customer satisfaction is the level at which a customer feels satisfied or dissatisfied with a business, product, or specific aspect of a product or service that complements the business. To achieve customer satisfaction, oil palm plantation companies need to pay attention to product delivery system, product or service performance, corporate/product/brand image, price value associated with value received by customers, employee performance, competitive advantage and weakness (Martin et al., 2017). Meeting the needs and customer satisfaction is done by the company through economic activities. Economic is a social and managerial process in which individuals or groups aim to meet their needs and desires through creativity, supply and exchange of product value with others. In the context of the oil palm plantation industry, indirect economic activities are directed to customers for individual consumption but are intended for the purpose of a business process of production. Therefore, companies in the oil palm plantation industry need to understand their target customers, which is companies or industries that buy palm oil products (Von Geibler, 2013). In general, the target market for palm oil products is the buyers of downstream palm oil industry or industry such as oil goring, margarine and ole chemical. The palm oil industry is a collection of companies engaged in palm oil business. It is engaged in the same business field then companies in the oil palm plantation industry will face competition. To understand the strengths and weaknesses of each competitor, the oil palm plantation company needs to run a

and weakness (Martin et al., 2017). Meeting the needs and customer satisfaction is done by the company through economic activities. Economic is a social and managerial process in which individuals or groups aim to meet their needs and desires through creativity, supply and exchange of product value with others. In the context of the oil palm plantation industry, indirect economic activities are directed to customers for individual consumption but are intended for the purpose of a business process of production. Therefore, companies in the oil palm plantation industry need to understand their target customers, which is companies or industries that buy palm oil products (Von Geibler, 2013). In general, the target market for palm oil products is the buyers of downstream palm oil industry or industry such as oil goring, margarine and ole chemical. The palm oil industry is a collection of companies engaged in palm oil business. It is engaged in the same business field then companies in the oil palm plantation industry will face competition. To understand the strengths and weaknesses of each competitor, the oil palm plantation company needs to run a competitor intelligence, which is the process of acquisition and analysis of publicly available information to achieve corporate goals with organizational learning facilities, improvements, differences and competitor targets. By running competitor intelligence, inputs, outputs and other activities in palm oil plantation companies will become more competitive. Competitor intelligence activities include searching the database, conducting customer surveys, interviewing suppliers and other channels, forming strategic alliances with competitors, and evaluating

competitor intelligence, which is the process of acquisition and analysis of publicly available information to achieve corporate goals with organizational learning facilities, improvements, differences and competitor targets. By running competitor intelligence, inputs, outputs and other activities in palm oil plantation companies will become more competitive. Competitor intelligence activities include searching the database, conducting customer surveys, interviewing suppliers and other channels, forming strategic alliances with competitors, and evaluating competitor products (Walter et al., 2006). Achieving customer satisfaction is essentially an effort by a company to create superior customer value. These efforts need to be undertaken by all parts of the company within a cross-functional

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Issue 5 • 2018 174 working relations framework in an integrated and coordinated manner. The cross-functional work relationship takes place at two levels of organizational analysis, which is the level of the individual across the organization and the group level representing inter-departmental dynamics. In this case every individual within the company is required to contribute and deliver superior value to customers (Uncles et al., 2013). The superior value of the customer (superior customer value) is an important factor in the company, where every individual and function within the company has a shared responsibility to

competitor products (Walter et al., 2006). Achieving customer satisfaction is essentially an effort by a company to create superior customer value. These efforts need to be undertaken by all parts of the company within a cross-functional

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Firms capable of implementing customer focus, competitor intelligence and effective cross-functional working relationships in their business activities can have competitive advantages, the above-mentioned relative superiority that goes on continuously and translates into the perceived benefits of targeted customers (Hanif, 2010). The competitive advantage consists of sources of advantage, position of advantage, performance outcomes, and profit investments to sustain an advantage (investing to sustain advantage). Competitive advantage can basically be developed from the company's ability to create value that exceeds the cost incurred by the company to create that value (Value and Strategy, 1999). Values are what the buyer is willing to pay and the superior value comes from a lower price offer than a competitor to benefit commensurately or provide unique benefits rather than simply offset a higher price. Competitive advantage is an ever-changing target so that company economic needs to use some of its profits to maintain that advantage. When further examined, variables such as customer focus, competitor intelligence and cross-functional employment are sources of competitive advantage for a company. Therefore, market-oriented companies are required to adapt the capabilities to the needs of their customers in the sense of understanding customer needs and delivering customer satisfaction that ultimately can create and maintain their competitive advantage (Barney, 1991). Based on the above description of the framework, it is clear that the relationship of customer focus variables, competitor intelligence, cross-functional working relationships, competitive advantage and



competitor intelligence and cross-functional employment are sources of competitive advantage for a company. Therefore, market-oriented companies are required to adapt the capabilities to the needs of their customers in the sense of understanding customer needs and delivering customer satisfaction that ultimately can create and maintain their competitive advantage (Barney, 1991). Based on the above description of the framework, it is clear that the relationship of customer focus variables, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance. A clearer picture of the relationship or relevance of these variables can be elaborated through a review of the results of research related to market orientation as found in a study by (Lumpkin and Dess, 2001). From the results of his research concluded there is a relationship between market orientation that includes the development of intelligence, dissemination of intelligence and a sense of responsibility with the company's performance with various environmental conditions. This finding is supported by research by (Lumpkin and Dess, 2001) which concludes a stronger relationship between market orientation consisting of customer orientation, competitor orientation and inter-functional coordination with firm performance where there is market volatility and high technological change. Referring to the results of the research findings as stated above that the focus on customers, competitor intelligence and cross-functional working relationships that are key elements of market orientation have a good influence on the company's competitive advantage as well as company

economic performance. A clearer picture of the relationship or relevance of these variables can be elaborated through a review of the results of research related to market orientation as found in a study by (Lumpkin and Dess, 2001). From the results of his research concluded there is a relationship between market orientation that includes the development of intelligence, dissemination of intelligence and a sense of responsibility with the company's performance with various environmental conditions. This finding is supported by research by (Lumpkin and Dess, 2001) which concludes a stronger relationship between market orientation consisting of customer orientation, competitor orientation and inter-functional coordination with firm performance where there is market volatility and high technological change. Referring to the results of the research findings as stated above that the focus on customers, competitor intelligence and cross-functional working relationships that are key elements of market orientation have a good influence on the company's competitive advantage as well as company performance including economic performance (Boons et al., 2013). Based on preliminary studies it was revealed that companies in the oil palm plantation industry in West Kalimantan Province have not yet focused on customers, competitor intelligence, cross functional working relationships, and optimum competitive advantage (Emrah, 2010). This should be done on each target market in order to improve the performance of the company, especially economic performance. This research involves customer focus variables, competitor intelligence, cross-functional working relationships, competitive

performance including economic performance (Boons et al., 2013). Based on preliminary studies it was revealed that companies in the oil palm plantation industry in West Kalimantan Province have not yet focused on customers, competitor intelligence, cross functional working relationships, and optimum competitive advantage (Emrah, 2010). This should be done on each target market in order to improve the performance of the company, especially economic performance. This research involves customer focus variables, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance determined based on literature studies and studies of previous research results deemed relevant and adapted to the characteristics of oil palm plantation companies in Indonesia, especially in West Kalimantan Province. The customer focus indicator is: Delivery system, product performance, price-value relation image, employee performance/performance and competition. Competitor intelligence uses indicators: Communication, perspective, responsibility and compatibility. Variables of competitive advantage are described first through the dimensions of source superiority, position advantage, achievement of end result and earnings investment (Raman and Shahrur, 2008). Referring to these dimensions, furthermore, indicators that consist of superior skills, superior resources, superior control, superior consumer value, low cost, customer satisfaction, customer loyalty, market share, profitability, profitability to maintain competitive advantage. The economic performance indicators consist of: Sales volume, sales volume

advantage and economic performance determined based on literature studies and studies of previous research results deemed relevant and adapted to the characteristics of oil palm plantation companies in Indonesia, especially in West Kalimantan Province. The customer focus indicator is: Delivery system, product performance, price-value relation image, employee performance/performance and competition. Competitor intelligence uses indicators: Communication, perspective, responsibility and compatibility. Variables of competitive advantage are described first through the dimensions of source superiority, position advantage, achievement of end result and earnings investment (Raman and Shahrur, 2008). Referring to these dimensions, furthermore, indicators that consist of superior skills, superior resources, superior control, superior consumer value, low cost, customer satisfaction, customer loyalty, market share, profitability, profitability to maintain competitive advantage. The economic performance indicators consist of: Sales volume, sales volume growth, market share and market share growth for domestic market (Tanasković and Jandrić, 2015). Overall frame of mind as a paradigm of this study explained that between the variable focus on the customer, competitor intelligence and cross-functional work relationships each affect the competitive advantage. Furthermore, between customer focus variables, competitor intelligence and cross-functional working relationships affecting economic performance and competitive advantage have an influence on economic performance of oil palm plantation companies in West Kalimantan Province (Al-

growth, market share and market share growth for domestic market (Tanasković and Jandrić, 2015). Overall frame of mind as a paradigm of this study explained that between the variable focus on the customer, competitor intelligence and cross-functional work relationships each affect the competitive advantage. Furthermore, between customer focus variables, competitor intelligence and cross-functional working relationships affecting economic performance and competitive advantage have an influence on economic

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Al-Tuwaijri et al., 2004). Based on the framework as has been stated in the previous section, it can be formulated hypothesis as follows: (1) Customer focus, competitor intelligence and cross-functional working relationships affect

the company's competitive advantage either

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oil palm plantation companies in West Kalimantan Province, (3) competitive advantage affects the company's economic performance at oil palm plantation company in West Kalimantan Province. 3.

**METHODOLOGY** This research focuses on customer, competitor intelligence and cross-functional working relationship as independent variable and competitive advantage and economic performance as dependent variable. This research is descriptive and verification using descriptive survey method and explanatory survey with questionnaire as research instrument. Path analysis (path analysis) is used in statistical tests. This study uses a unit of analysis of the company, namely the managers of oil palm plantation companies in West Kalimantan Province. Because the data/information in this study is collected directly from the field with the aim to know the respondent's perception of the object under study, then based on the time horizon, this research is cross-sectional (Coelho and Henseler, 2012). The data required in this study consisted of primary data and secondary data collected using combination techniques, namely in the form of observation, questionnaires, and interviews. Aspects of questions/statements in questionnaires and interviews include everything related to customer focus, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance. The measurement scale used is a Likert scale of 1-5. Each variable/sub variable has a different

is collected directly from the field with the aim to know the respondent's perception of the object under study, then based on the time horizon, this research is cross-sectional (Coelho and Henseler, 2012). The data required in this study consisted of primary data and secondary data collected using combination techniques, namely in the form of observation, questionnaires, and interviews. Aspects of questions/statements in questionnaires and interviews include everything related to customer focus, competitor intelligence, cross-functional working relationships, competitive advantage and economic performance. The measurement scale used is a Likert scale of 1-5. Each variable/sub variable has a different number of items depending on the characteristics measured. The population of this study were all oil palm plantation companies in West Kalimantan Province with the minimum sample size (n) of this study were 63 companies calculated using the iteration formula in path analysis. Because the population in this study is >100, which is 85 companies, it is better taken all so that the research is a population study (Goltz, 2010). To determine the level of validity and reliability of the questionnaire conducted a test questionnaire. From the result of the trial, there is no change of principle and substantive of item statement in the questionnaire so that the questionnaires can be disseminated to all research target population, that is 85 companies. From the dissemination done to the time limit set as many as 77 questionnaires returned and 8 questionnaires otherwise not returned. Thus, as many as 77 questionnaires can be processed in the next data analysis. Test the validity of the questionnaire in this study was conducted

number of items depending on the characteristics measured. The population of this study were all oil palm plantation companies in West Kalimantan Province with the minimum sample size (n) of this study were 63 companies calculated using the iteration formula in path analysis. Because the population in this study is >100, which is 85 companies, it is better taken all so that the research is a population study (Goltz, 2010). To determine the level of validity and reliability of the questionnaire conducted a test questionnaire. From the result of the trial, there is no change of principle and substantive of item statement in the questionnaire so that the questionnaires can be disseminated to all research target population, that is 85 companies. From the dissemination done to the time limit set as many as 77 questionnaires returned and 8 questionnaires otherwise not returned. Thus, as many as 77 questionnaires can be processed in the next data analysis. Test the validity of the questionnaire in this study was conducted with the help of software SPSS 11.0 with the final result states that the questionnaire items for each variable in this study stated valid. Reliability testing questionnaire in this study using split- half technique with the final result states that the Alpha Cronbach coefficient above 0.7 so that the questionnaire reliable. 4. RESULT AND DISCUSSION 4.1. Customer Focus Implementation 4.1.1. Product delivery system Based on the research data, it is found that almost all (88.3%) of oil palm plantation companies in West Kalimantan Province have implemented the function of product delivery system by involving all parts of the company in a compact or integrated manner. Furthermore, based on field

with the help of software SPSS 11.0 with the final result states that the questionnaire items for each variable in this study stated valid. Reliability testing questionnaire in this study using split- half technique with the final result states that the Alpha Cronbach coefficient above 0.7 so that the questionnaire reliable. 4. RESULT AND DISCUSSION 4.1. Customer Focus Implementation 4.1.1. Product delivery system Based on the research data, it is found that almost all (88.3%) of oil palm plantation companies in West Kalimantan Province have implemented the function of product delivery system by involving all parts of the company in a compact or integrated manner. Furthermore, based on field data is also found companies that are able to run the product delivery system in a very integrated, which is as much as 3.9%. However, there are 5.2% of oil palm plantation companies in the Province of West Kalimantan that carry out the function of a less integrated product delivery system and 2.6% carry out the function of unified product delivery systems, making it difficult for these companies to avoid threats degradation of product quality as a result of the constraints faced in the process of product delivery (Haverila and Fehr, 2016). Based on research data, it is known that almost all (89.6%) of oil palm plantation companies in West Kalimantan Province declare the function of their product delivery system running in a coordinated manner. Meanwhile, it was found that the company was able to run the product delivery system in a very coordinated manner, ie as much as 3.9%. Meanwhile, the company that states the function of system delivery of its products run in a less coordinated recorded as

data is also found companies that are able to run the product delivery system in a very integrated, which is as much as 3.9%. However, there are 5.2% of oil palm plantation companies in the Province of West Kalimantan that carry out the function of a less integrated product delivery system and 2.6% carry out the function of unified product delivery systems, making it difficult for these companies to avoid threats degradation of product quality as a result of the constraints faced in the process of product delivery (Haverila and Fehr, 2016). Based on research data, it is known that almost all (89.6%) of oil palm plantation companies in West Kalimantan Province declare the function of their product delivery system running in a coordinated manner. Meanwhile, it was found that the company was able to run the product delivery system in a very coordinated manner, ie as much as 3.9%. Meanwhile, the company that states the function of system delivery of its products run in a less coordinated recorded as much as 6.5%. Level of understanding of the leaders of the company on the needs and desires of customers in

oil palm plantation Company in West Kalimantan Province. Based on field data obtained information that the leader of oil palm plantation companies in West Kalimantan Province

which states understand the needs and desires of customers is as much as 76.6%. Meanwhile, there is also found a company that states that the leader is very understanding of the needs and desires of customers, ie as much as 18.2%. While companies that say less understand the needs and desires of customers only 5.2% which means it is quite difficult for these companies in

much as 6.5%. Level of understanding of the leaders of the company on the needs and desires of customers in oil palm plantation Company in West Kalimantan Province. Based on field data obtained information that the leader of oil palm plantation companies in West Kalimantan Province which states understand the needs and desires of customers is as much as 76.6%. Meanwhile, there is also found a company that states that the leader is very understanding of the needs and desires of customers, ie as much as 18.2%. While companies that say less understand the needs and desires of customers only 5.2% which means it is quite difficult for these companies in identifying, selecting the target market and positioning the product it produces. Information on the results of research states that companies with employees who understand the needs and desires of customers is as much as 77.9%. Even as many as 18.2% of companies claim to have employees who really understand the needs and desires of customers. Meanwhile, found as many as 3.9% of companies that claim to have employees do not understand the needs and desires of customers. This study shows that each of 72.7% and 22.1% of the company's managers stated responsive and very responsive to the needs and desires of customers. Meanwhile, only 5.2% of company leaders who stated less responsive to the needs and desires of customers. The lack of leadership of oil palm plantation companies in West Kalimantan Province for the needs and desires of its customers can lead to inconsistencies between the products offered companies with customer expectations so that at one time can reduce customer loyalty. In line with the

identifying, selecting the target market and positioning the product it produces. Information on the results of research states that companies with employees who understand the needs and desires of customers is as much as 77.9%. Even as many as 18.2% of companies claim to have employees who really understand the needs and desires of customers. Meanwhile, found as many as 3.9% of companies that claim to have employees do not understand the needs and desires of customers. This study shows that each of 72.7% and 22.1% of the company's managers stated responsive and very responsive to the needs and desires of customers. Meanwhile, only 5.2% of company leaders who stated less responsive to the needs and desires of customers. The lack of leadership of oil palm plantation companies in West Kalimantan Province for the needs and desires of its customers can lead to inconsistencies between the products offered companies with customer expectations so that at one time can reduce customer loyalty. In line with the responsiveness

of the leaders of oil palm plantation companies in West Kalimantan Province to the needs and desires

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responsiveness of the leaders of oil palm plantation companies in West Kalimantan Province to the needs and desires

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 176 of the customers, the employees of these companies, ie 74% and 18.2% respectively stated responsive and highly responsive to the needs and desires of the customers. Only 7.8% of a palm oil plantation company in West Kalimantan Province which stated that its employees are less responsive to the needs and wants of customers. This means that the employees of the company have not realized the importance of having sensitivity to the needs and desires of customers. 4.1.2. Product performance Quality products are a top choice for customers to make a preference in the buying process. Research data informs each of 85.7% and 10.4% of oil palm plantation companies in West Kalimantan Province offer quality and high quality products to customers. Meanwhile, only 3.9% of companies offer less quality products (Trentin et al., 2012). Based on this research data, 90.9% of oil palm plantation companies in West Kalimantan Province declare offering superior products to their customers and 5.2% of companies say they offer excellent products. Meanwhile, as many as 3.9% of companies claim to offer products that are less superior or have quality below that offered by a competitor company. The less superior product will be difficult to accept the market so that it can lower the level of sales that can ultimately

Issue 5 • 2018 176 of the customers, the employees of these companies, ie 74% and 18.2% respectively stated responsive and highly responsive to the needs and desires of the customers. Only 7.8% of a palm oil plantation company in West Kalimantan Province which stated that its employees are less responsive to the needs and wants of customers. This means that the employees of the company have not realized the importance of having sensitivity to the needs and desires of customers. 4.1.2. Product performance Quality products are a top choice for customers to make a preference in the buying process. Research data informs each of 85.7% and 10.4% of oil palm plantation companies in West Kalimantan Province offer quality and high quality products to customers. Meanwhile, only 3.9% of companies offer less quality products (Trentin et al., 2012). Based on this research data, 90.9% of oil palm plantation companies in West Kalimantan Province declare offering superior products to their customers and 5.2% of companies say they offer excellent products. Meanwhile, as many as 3.9% of companies claim to offer products that are less superior or have quality below that offered by a competitor company. The less superior product will be difficult to accept the market so that it can lower the level of sales that can ultimately reduce the profitability of the company. 4.1.3. Image Based on the research data obtained 84.4% of oil palm plantation companies in West Kalimantan Province stated that the image of the company affect the customer satisfaction and as many as 11.7% of companies stated that the company's image is very influential on customer satisfaction. Meanwhile, as many as 3.9% of companies stated that the company's image is

reduce the profitability of the company. 4.1.3. Image Based on the research data obtained 84.4% of oil palm plantation companies in West Kalimantan Province stated that the image of the company affect the customer satisfaction and as many as 11.7% of companies stated that the company's image is very influential on customer satisfaction. Meanwhile, as many as 3.9% of companies stated that the company's image is less influential on customer satisfaction (Zhang, 2015). 4.1.4. Price-value relationship Based on research data of West Kalimantan stated that the price set by the company in accordance with the brand value of the products it offers and as much as 16.9% of oil palm plantation companies in West Kalimantan Province stated that the price set very as the brand value of products offered to customers. Meanwhile, only 1.3% of firms declared pricing less appropriate to the brand value of the offered product (Munnukka, 2008). 4.1.5. Performance/achievement of employees Based on research data known as each 84.4% and 10.4% of oil palm plantation companies in West Kalimantan Province stated that the performance of employees of the company is influential and very influential on customer satisfaction. In addition, each also found 2.6% of companies that stated that the performance of employees less influential and no effect on customer satisfaction (Grant, 2012). Based on the research data, information obtained by 83.1% of oil palm plantation companies in West Kalimantan Province states that all parts of the company work together to create product performance in order to meet customer satisfaction. Even as many as 15.6% of oil palm plantation companies in West



less influential on customer satisfaction (Zhang, 2015). 4.1.4. Price-value relationship Based on research data of West Kalimantan stated that the price set by the company in accordance with the brand value of the products it offers and as much as 16.9% of oil palm plantation companies in West Kalimantan Province stated that the price set very as the brand value of products offered to customers. Meanwhile, only 1.3% of firms declared pricing less appropriate to the brand value of the offered product (Munnukka, 2008). 4.1.5. Performance/ achievement of employees Based on research data known as each 84.4% and 10.4%

of oil palm plantation companies in West Kalimantan Province stated that the performance of employees of the

company is influential and very influential on customer satisfaction. In addition, each also found 2.6% of companies that stated that the performance of employees less influential and no effect on customer satisfaction (Grant, 2012). Based on the research data, information obtained by 83.1% of oil palm plantation companies in West Kalimantan Province states that all parts of the company work together to create product performance in order to meet customer satisfaction. Even as many as 15.6% of oil palm plantation companies in West Kalimantan Province stated that all parts of the company are working together to create product performance in order to meet customer satisfaction. Meanwhile, only 1.3% of companies in the oil palm plantation industry in West Kalimantan Province declare that they are less cooperative. In addition to creating

Kalimantan Province stated that all parts of the company are working together to create product performance in order to meet customer satisfaction. Meanwhile, only 1.3% of companies in the oil palm plantation industry in West Kalimantan Province declare that they are less cooperative. In addition to creating product performance, cooperation of all parts within the company is needed to create a product delivery system. Based on field data, 84.4% of oil palm plantation companies in West Kalimantan Province stated that all parts of the company are cooperating to create a product delivery system in order to meet customer satisfaction. Meanwhile, as many as 13% of companies stated very cooperate to create a product delivery system in order to meet customer satisfaction. While as many as 2.6% of companies in the oil palm plantation industry in West Kalimantan Province declared less cooperate to create a product delivery system. 4.1.6. Competition Based on field data, 71.4% and 13% of oil palm plantation companies in West Kalimantan Province are aware of and understand the strength of other companies as competitors. Meanwhile, the data of this study found also the existence of companies that stated less understanding of the strength of its competitors, which is as much as 15.6%. This means that these companies are less aware of the importance of information about competitors' power in deciding on their competitive strategy (Matsa, 2011). It is known that 71.4% and 9.1% of oil palm plantation companies in West Kalimantan province understand and understand the weakness of other companies as competitors. Meanwhile, as many as 18.2% of companies said they do not understand the

product performance, cooperation of all parts within the company is needed to create a product delivery system. Based on field data, 84.4% of oil palm plantation companies in West Kalimantan Province stated that all parts of the company are cooperating to create a product delivery system in order to meet customer satisfaction. Meanwhile, as many as 13% of companies stated very cooperate to create a product delivery system in order to meet customer satisfaction. While as many as 2.6% of companies in the oil palm plantation industry in West Kalimantan Province declared less cooperate to create a product delivery system.

#### 4.1.6. Competition

Based on field data, 71.4% and 13% of oil palm plantation companies in West Kalimantan Province are aware of and understand the strength of other companies as competitors. Meanwhile, the data of this study found also the existence of companies that stated less understanding of the strength of its competitors, which is as much as 15.6%. This means that these companies are less aware of the importance of information about competitors' power in deciding on their competitive strategy (Matsa, 2011). It is known that 71.4% and 9.1% of oil palm plantation companies in West Kalimantan province understand and understand the weakness of other companies as competitors. Meanwhile, as many as 18.2% of companies said they do not understand the weaknesses of competitors and 1.3% say they do not understand the weaknesses of competitors. Thus, based on field data it can be argued that almost all companies in the oil palm plantation industry in West Kalimantan Province understand the weakness of their competitors. The research data shows that 63.6% and

weaknesses of competitors and 1.3% say they do not understand the weaknesses of competitors. Thus, based on field data it can be argued that almost all companies in the oil palm plantation industry in West Kalimantan Province understand the weakness of their competitors. The research data shows that 63.6% and 16.9% of oil palm plantation companies in West Kalimantan Province understand and understand the gap between customer's desire and the other company's offer as a competitor. While companies that do not understand the gap between customer desires and competitor's offer is as much as 2.6%. From the overall description of the implementation of customer focus as stated above, it is clear that almost all companies in the oil palm plantation industry in West Kalimantan Province have been able to run a good customer focus. This fact is indicated by the following (Lumpkin and Dess, 2001):

1. The product delivery system has been able to run in an integrated and coordinated manner that is supported by the possessing of responsiveness and understanding of company members either individually or in groups in the parts of the company to meet the needs and desires of its customers.
2. The company has been able to produce and offer quality and superior palm oil products to its customers.

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3. The company has an understanding of the importance of paying attention to the

16.9% of oil palm plantation companies in West Kalimantan Province understand and understand the gap between customer's desire and the other company's offer as a competitor. While companies that do not understand the gap between customer desires and competitor's offer is as much as 2.6%. From the overall description of the implementation of customer focus as stated above, it is clear that almost all companies in the oil palm plantation industry in West Kalimantan Province have been able to run a good customer focus. This fact is indicated by the following (Lumpkin and Dess, 2001): 1. The product delivery system has been able to run in an integrated and coordinated manner that is supported by the possessing of responsiveness and understanding of company members either individually or in groups in the parts of the company to meet the needs and desires of its customers. 2. The company has been able to produce and offer quality and superior palm oil products to its customers.

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Issue 5 • 2018 177 3. The company has an understanding of the importance of paying attention to the company's image because it can affect the achievement of customer satisfaction. 4. The company has understood the importance of paying attention to the relationship between the price paid by the customer and the value offered by the company for the products it is economic. 5.

company's image because it can affect the achievement of customer satisfaction. 4. The company has understood the importance of paying attention to the relationship between the price paid by the customer and the value offered by the company for the products it is economic. 5. The company has realized the importance of paying attention and improve the performance/achievement of its employees because it can affect the achievement of customer satisfaction. In addition, the company has realized also the importance of all parts of the company working together to meet the performance and product delivery system. 6. The company has understood the strengths and weaknesses that other companies have as competitors and understands the gap between the buyer's desire and the offer given by the competitors. 4.2. Competitor Intelligence Implementation 4.2.1. Database Based on research data, it is known that each of 44.2% and 11.7% of oil palm plantation companies in West Kalimantan Province have few and very few competitors. Meanwhile, as many as 35.1% of companies claim to have the number of competitors are categorized being. While as many as 2.6% of companies have many competitors and as many as 6.5% of companies have very many competitors. Thus, based on this research data, less than half the number of companies in the oil palm plantation industry in West Kalimantan Province has a few competitors (Ang, 2011). Based on the research data known respectively as much as 61% and 2.6% of oil palm plantation companies in the Province of West Kalimantan states understand and deeply understand the strengths and weaknesses of competitors. While 31.2% of

The company has realized the importance of paying attention and improve the performance/achievement of its employees because it can affect the achievement of customer satisfaction. In addition, the company has realized also the importance of all parts of the company working together to meet the performance and product delivery system. 6. The company has understood the strengths and weaknesses that other companies have as competitors and understands the gap between the buyer's desire and the offer given by the competitors. 4.2. Competitor Intelligence Implementation 4.2.1. Database Based on research data, it is known that each of 44.2% and 11.7% of oil palm plantation companies in West Kalimantan Province have few and very few competitors. Meanwhile, as many as 35.1% of companies claim to have the number of competitors are categorized being. While as many as 2.6% of companies have many competitors and as many as 6.5% of companies have very many competitors. Thus, based on this research data, less than half the number of companies in the oil palm plantation industry in West Kalimantan Province has a few competitors (Ang, 2011). Based on the research data known respectively as much as 61% and 2.6% of oil palm plantation companies in the Province of West Kalimantan states understand and deeply understand the strengths and weaknesses of competitors. While 31.2% of companies say less understanding of the strengths and weaknesses of competitors. Meanwhile, each of 1.3% and 3.9% are companies that do not understand and are very unfamiliar with competitors' strengths and weaknesses. The field data provide information that as much as 54.5% of oil palm plantation

companies say less understanding of the strengths and weaknesses of competitors. Meanwhile, each of 1.3% and 3.9% are companies that do not understand and are very unfamiliar with competitors' strengths and weaknesses. The field data provide information that as much as 54.5% of oil palm plantation companies in West Kalimantan Province understand the strategy of competitors in the future. Meanwhile, as many as 32.5% of companies declared less understanding of competitors' strategy in the future. A total of 6.5% of companies stated that they understand the strategy of the competitors in the future and as much as 3.9% of companies said they did not understand and 2.6% of companies said they did not understand the strategy of the competitors in the future. Based on research data obtained information as much as 53.2% of oil palm plantation companies in West Kalimantan Province understand the performance of competitors. A total of 6.5% of companies stated very understand the performance of competitors. While as many as 33.8% of companies stated less understand the performance of competitors. Meanwhile, as many as 3.9% of companies said they did not understand the performance of competitors and as much as 2.6% stated very not understand the performance of competitors. Thus, from field data collected about the company's understanding of competitors' performance, it is illustrated that more than half of companies in the oil palm plantation industry in West Kalimantan Province have understood the performance of competitors. 4.2.2. Customer survey Based on research data can be known as much as 3.9% of companies states very often do customer surveys and as many as 16.9% of companies stated

companies in West Kalimantan Province understand the strategy of competitors in the future. Meanwhile, as many as 32.5% of companies declared less understanding of competitors' strategy in the future. A total of 6.5% of companies stated that they understand the strategy of the competitors in the future and as much as 3.9% of companies said they did not understand and 2.6% of companies said they did not understand the strategy of the competitors in the future. Based on research data obtained information as much as 53.2% of oil palm plantation companies in West Kalimantan Province understand the performance of competitors. A total of 6.5% of companies stated very understand the performance of competitors. While as many as 33.8% of companies stated less understand the performance of competitors. Meanwhile, as many as 3.9% of companies said they did not understand the performance of competitors and as much as 2.6% stated very not understand the performance of competitors. Thus, from field data collected about the company's understanding of competitors' performance, it is illustrated that more than half of companies in the oil palm plantation industry in West Kalimantan Province have understood the performance of competitors.

4.2.2. Customer survey Based on research data can be known as much as 3.9% of companies states very often do customer surveys and as many as 16.9% of companies stated often conduct customer surveys. Meanwhile, 29.9% of oil palm plantation companies in West Kalimantan province rarely conduct customer surveys. Meanwhile, as many as 28.6% of companies said sometimes do customer surveys and as much as 20.8% of companies said they never did a customer survey. Thus

often conduct customer surveys. Meanwhile, 29.9% of oil palm plantation companies in West Kalimantan province rarely conduct customer surveys. Meanwhile, as many as 28.6% of companies said sometimes do customer surveys and as much as 20.8% of companies said they never did a customer survey. Thus based on field data it is known that very few companies are conducting customer surveys (Eid, 2011).

4.2.3. Interview with supplier Based on the research data, 3.9% of the oil palm plantation companies in West Kalimantan Province report very frequently interviewing suppliers and other channel members as competitor intelligence implementations. A total of 10.4% of companies stated frequent interviews with suppliers and other channel members. While 29.9% of companies stated that they sometimes interviewed suppliers and other channel members. Meanwhile, as many as 27.3% of companies said they rarely interviewed suppliers and other channel members. The remaining 28.6% of companies stated that they never interviewed suppliers and other channel members in relation to competitor intelligence implementation (Von Geibler, 2013).

4.2.4. Strategic alliances Based on the research data, 3.9% of oil palm plantation companies in West Kalimantan Province report very frequent strategic alliances with competitors, as many as 9.1% of companies stated that they often make strategic alliances with competitors, as many as 23.4% of firms declare occasionally strategic alliances with competitors, as many as 23.4% of firms declare rarely strategic alliances with competitors, and as many as 40.3% of firms declare never a strategic alliance with competitors (Lyon et al., 2000).

4.2.5. Competitor officer

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report very frequently interviewing suppliers and other channel members as competitor intelligence implementations. A total of 10.4% of companies stated frequent interviews with suppliers and other channel members. While 29.9% of companies stated that they sometimes interviewed suppliers and other channel members. Meanwhile, as many as 27.3% of companies said they rarely interviewed suppliers and other channel members. The remaining 28.6% of companies stated that they never interviewed suppliers and other channel members in relation to competitor intelligence implementation (Von Geibler, 2013).

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Based on research data obtained information as much as 87% of oil palm plantation companies in West Kalimantan Province never at all hire competitor employees. Meanwhile, as many as 10.4% of companies said they rarely hired competing employees and as many as 2.6% of companies said they sometimes hired competing employees (Grégoire et al., 2014). 4.2.6. Competitor products Based on the research data, there are 10.4% and 3.9% of oil palm plantation company in West Kalimantan Province often and very often evaluate competitor's product. While as many as 27.3% of companies said sometimes to evaluate the product competitors. The remaining 24.7% and 33.8% respectively stated that they rarely and never evaluate competitors' products at all.

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 178 4.3. Implementation of Cross-functional Working Relationships 4.3.1. Communication Based on the research data, 90.9% and 5.2% of the leaders of oil palm plantation companies in West Kalimantan Province declared free and very free to exchange ideas. Meanwhile, as many as 3.9% of the company's managers stated less free to exchange ideas that indicate that the leadership process in these companies can not run effectively so that the vision, mission and goals of the company can not be transformed properly (Reissner and Pagan, 2013). Based on research data known respectively as much as 3.9% and 89.6% leaders of oil palm plantation companies in West

Competitor officer Based on research data obtained information as much as 87% of oil palm plantation companies in West Kalimantan Province never at all hire competitor employees. Meanwhile, as many as 10.4% of companies said they rarely hired competing employees and as many as 2.6% of companies said they sometimes hired competing employees (Grégoire et al., 2014). 4.2.6. Competitor products Based on the research data, there are 10.4% and 3.9% of oil palm plantation company in West Kalimantan Province often and very often evaluate competitor's product. While as many as 27.3% of companies said sometimes to evaluate the product competitors. The remaining 24.7% and 33.8% respectively stated that they rarely and never evaluate competitors' products at all.

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Issue 5 • 2018 178 4.3. Implementation of Cross-functional Working Relationships 4.3.1. Communication Based on the research data, 90.9% and 5.2% of the leaders of oil palm plantation companies in West Kalimantan Province declared free and very free to exchange ideas. Meanwhile, as many as 3.9% of the company's managers stated less free to exchange ideas that indicate that the leadership process in these companies can not run effectively so that the vision, mission and goals of the company can not be transformed properly (Reissner and Pagan, 2013). Based on research data known respectively as much as

Kalimantan Province declared very free and free to exchange information. Leaders of companies that states less freely states the exchange of information is only 6.5% which means that the leaders of these companies are still facing obstacles in the process of information exchange so that almost also in the decision-making process. Based on the research data, 6.5% and 84.4% of palm oil plantation companies in West Kalimantan Province stated that they are very open and open in exchange of ideas. Only 9.1% of corporate leaders stated that they are less open in exchange of ideas so that members of the company are still experiencing difficulties in interpreting and executing the idea of the leadership of the company. Based on the research data, each information obtained as much as 3.9% and 90.9% of the leaders of oil palm plantation companies in West Kalimantan Province stated very open and open in the exchange of information. While the head of the company that states to exchange information less openly only as much as 5.2%. This means that the process of exchanging information on these companies has not proceeded as expected because it can not be conveyed as it can inhibit the decision-making process. 4.3.2. Perspective Based on research data obtained by each information as much as 6.5% and 85.7% of the leaders of oil palm plantation companies in West Kalimantan province is very initiative and take the initiative to consider the opinions of its customers. Only 7.8% of the company's leaders stated that they did not take the initiative to consider customer opinion (Yang et al., 2016). Based on the research data obtained information of each as much as 7.8% and 84.4% of the leaders of oil palm

3.9% and 89.6% leaders of oil palm plantation companies in West Kalimantan Province declared very free and free to exchange information. Leaders of companies that states less freely states the exchange of information is only 6.5% which means that the leaders of these companies are still facing obstacles in the process of information exchange so that almost also in the decision-making process. Based on the research data, 6.5% and 84.4% of palm oil plantation companies in West Kalimantan Province stated that they are very open and open in exchange of ideas. Only 9.1% of corporate leaders stated that they are less open in exchange of ideas so that members of the company are still experiencing difficulties in interpreting and executing the idea of the leadership of the company. Based on the research data, each information obtained as much as 3.9% and 90.9% of the leaders of oil palm plantation companies in West Kalimantan Province stated very open and open in the exchange of information. While the head of the company that states to exchange information less openly only as much as 5.2%. This means that the process of exchanging information on these companies has not proceeded as expected because it can not be conveyed as it can inhibit the decision-making process.

#### 4.3.2. Perspective

Based on research data obtained by each information as much as 6.5% and 85.7% of the leaders of oil palm plantation companies in West Kalimantan province is very initiative and take the initiative to consider the opinions of its customers. Only 7.8% of the company's leaders stated that they did not take the initiative to consider customer opinion (Yang et al., 2016). Based on the research data obtained information of

plantation companies in West Kalimantan Province stated very open and open consider the opinion of other functions in the company. Only 6.5% of the company's leaders stated that it was less open and 1.3% of the company's leaders stated that they were not open to consider the opinion of other functions in the company. Based on the research data, 15.6% of the information obtained by the head of the oil palm plantation company in West Kalimantan Province stated that it is very capable of considering the opinion of the customers and 77.9% of the company's managers stated that they are able to consider the opinions of the customers. Only 6.5% of the company's managers said they lacked the ability to consider customer opinions. Corporate leadership level considering opinions of other functions in the company. Based on the research data, 14.3% of the leaders of palm oil plantation companies in the Province of West Kalimantan declared their ability to consider the opinion of other functions in the company and 77.9% of the company's managers stated that they were able to consider the opinion of other functions in the company. Only as many as 7.8% of the leadership of the company that states lack the ability or capability to consider opinions of other functions in the company.

#### 4.3.3. Responsiveness

Based on the research data, 11.7% of the information obtained by the head of oil palm plantation companies in West Kalimantan Province stated that they are consistent in handling customer demand and 84.4% of the companies are consistent in handling customer demand. Only as many as 3.9% of the company's leaders stated that it handles customer demand in a less consistent manner. This



each as much as 7.8% and 84.4% of the leaders of oil palm plantation companies in West Kalimantan Province stated very open and open consider the opinion of other functions in the company. Only 6.5% of the company's leaders stated that it was less open and 1.3% of the company's leaders stated that they were not open to consider the opinion of other functions in the company. Based on the research data, 15.6% of the information obtained by the head of the oil palm plantation company in West Kalimantan Province stated that it is very capable of considering the opinion of the customers and 77.9% of the company's managers stated that they are able to consider the opinions of the customers. Only 6.5% of the company's managers said they lacked the ability to consider customer opinions. Corporate leadership level considering opinions of other functions in the company. Based on the research data, 14.3% of the leaders of palm oil plantation companies in the Province of West Kalimantan declared their ability to consider the opinion of other functions in the company and 77.9% of the company's managers stated that they were able to consider the opinion of other functions in the company. Only as many as 7.8% of the leadership of the company that states lack the ability or capability to consider opinions of other functions in the company. 4.3.3. Responsiveness Based on the research data, 11.7% of the information obtained by the head of oil palm plantation companies in West Kalimantan Province stated that they are consistent in handling customer demand and 84.4% of the companies are consistent in handling customer demand. Only as many as 3.9% of the company's leaders stated that it

shows that customer demand for these companies has not been properly responded so it is very difficult for these companies to meet their customer satisfaction (Pisharodi et al., 2003). Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province is very consistent to handle the demand of other functional areas within the company and as many as 85.7% of the company leadership stated consistently handle the demand of other functions in the company. Only as much as 6.5% of the company's managers stated that it handles the demand for other functions within the company in a less consistent manner. Based on research data, 11.7% of the information obtained by the head of oil palm plantation company in West Kalimantan province is very capable in considering customer demand and 84.4% of the company's managers stated that they are capable of considering customer demand. Only 3.9% of the company's leaders stated that they lacked the ability or capability in considering customer demand. Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province is highly capable of considering the demand for other functions in the company and as many as 84.4% of the company's leadership expressed the ability to consider the demand for other functions in the company. Only 7.8% of the company's leaders stated that they lacked the ability or capability in considering the demand for other functions within the company. Judging from the level of initiative, 9.1% of the leaders of oil palm plantation companies in West Kalimantan Province stated very initiative in handling

handles customer demand in a less consistent manner. This shows that customer demand for these companies has not been properly responded so it is very difficult for these companies to meet their customer satisfaction (Pisharodi et al., 2003). Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province is very consistent to handle the demand of other functional areas within the company and as many as 85.7% of the company leadership stated consistently handle the demand of other functions in the company. Only as much as 6.5% of the company's managers stated that it handles the demand for other functions within the company in a less consistent manner. Based on research data, 11.7% of the information obtained by the head of oil palm plantation company in West Kalimantan province is very capable in considering customer demand and 84.4% of the company's managers stated that they are capable of considering customer demand. Only 3.9% of the company's leaders stated that they lacked the ability or capability in considering customer demand. Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province is highly capable of considering the demand for other functions in the company and as many as 84.4% of the company's leadership expressed the ability to consider the demand for other functions in the company. Only 7.8% of the company's leaders stated that they lacked the ability or capability in considering the demand for other functions within the company. Judging from the level of initiative, 9.1% of the leaders of oil palm plantation companies in

customer demand and as much as 90.9% of the company leadership stated initiative in handling customer demand. This indicates that the leaders of these companies have the will to seek information what the needs and desires of customers

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 179 that must be followed up in the form of company activity to achieve customer satisfaction. Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province stated very initiative in handling the demand for other functions in the company and as many as 85.7% of the company's leaders stated initiative in handling the demand of other functions in the company. Only 6.5% of the company's leaders stated that they lacked the initiative to handle the demand for other functions within the company. This reflects the leadership of the company is less aware of the importance of paying attention to the demand for other areas of function within the company that can not be separated from efforts to achieve customer satisfaction. 4.3.4. Compatibility Based on research data obtained information as much as 10.4% of the leaders of oil palm plantation companies in West Kalimantan Province stated the company's goals are formulated very clearly and as many as 88.3% of the company's leaders stated the company's objectives are formulated clearly. Only 1.3% of the company's leaders in the oil palm plantation industry in West

West Kalimantan Province stated very initiative in handling customer demand and as much as 90.9% of the company leadership stated initiative in handling customer demand. This indicates that the leaders of these companies have the will to seek information what the needs and desires of customers

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 •

Issue 5 • 2018 179 that must be followed up in the form of company activity to achieve customer satisfaction. Based on the research data obtained information as much as 7.8% of the leaders of oil palm plantation companies in West Kalimantan Province stated very initiative in handling the demand for other functions in the company and as many as 85.7% of the company's leaders stated initiative in handling the demand of other functions in the company. Only 6.5% of the company's leaders stated that they lacked the initiative to handle the demand for other functions within the company. This reflects the leadership of the company is less aware of the importance of paying attention to the demand for other areas of function within the company that can not be separated from efforts to achieve customer satisfaction. 4.3.4. Compatibility Based on research data obtained information as much as 10.4% of the leaders of oil palm plantation companies in West Kalimantan Province stated the company's goals are formulated very clearly and as many as 88.3% of the company's leaders stated the

Kalimantan Province stated that the company's objectives were formulated less clearly (Jones et al., 2011). 4.4. Excellence Competing Company 4.4.1. Source excellence Based on the research data obtained information that the most categories of companies in the oil palm plantation industry in West Kalimantan Province has a moderate skill level of 48.1%. Whereas as many as 44.2% of companies in the oil palm plantation industry in West Kalimantan Province declared a high level of skill. Meanwhile, companies that claim to have very high or superior skill level of only 2.6%. However, this study also found companies that have low skill level, that is as much as 5.2% (BCG, 2015). Information obtained by 54.5% of oil palm plantation companies in West Kalimantan Province has medium resource quality which implies that the dimensions of excellence in these companies have not been formed as expected. Furthermore found also companies that claim to have resources with high category, that is as much as 37.7%. Meanwhile, as many as 5.2% of companies in the oil palm plantation industry in West Kalimantan Province have low resource categories. Meanwhile, companies that claim to have very high or superior resources are 2.6% where these companies have strong dimensions of excellence so that there are no significant obstacles in the face of competitive arena and can even easily win the competition. It is known that 51.9% of oil palm plantation companies in West Kalimantan Province have implemented a good controlling process. Furthermore, as many as 46.8% of companies in the oil palm plantation industry in West Kalimantan Province declared the process of controlling with the

company's objectives are formulated clearly. Only 1.3% of the company's leaders in the oil palm plantation industry in West Kalimantan Province stated that the company's objectives were formulated less clearly (Jones et al., 2011).

#### 4.4. Excellence Competing Company 4.4.1. Source excellence

Based on the research data obtained information that the most categories of companies in the oil palm plantation industry in West Kalimantan Province has a moderate skill level of 48.1%. Whereas as many as 44.2% of companies in the oil palm plantation industry in West Kalimantan Province declared a high level of skill. Meanwhile, companies that claim to have very high or superior skill level of only 2.6%. However, this study also found companies that have low skill level, that is as much as 5.2% (BCG, 2015). Information obtained by 54.5% of oil palm plantation companies in West Kalimantan Province has medium resource quality which implies that the dimensions of excellence in these companies have not been formed as expected. Furthermore found also companies that claim to have resources with high category, that is as much as 37.7%. Meanwhile, as many as 5.2% of companies in the oil palm plantation industry in West Kalimantan Province have low resource categories. Meanwhile, companies that claim to have very high or superior resources are 2.6% where these companies have strong dimensions of excellence so that there are no significant obstacles in the face of competitive arena and can even easily win the competition. It is known that 51.9% of oil palm plantation companies in West Kalimantan Province have implemented a good controlling process. Furthermore, as many as 46.8% of

category of being. Meanwhile, companies that claim to have excellent or superior control are 1.3% which means that managers in these companies are well aware of the health of their business so that they are better able to achieve superior performance.

#### 4.4.2. Position excellence

Information obtained by 64.9% of oil palm plantation companies in West Kalimantan Province stated that providing value of customers in the form of good product value. Meanwhile, as many as 26% of companies stated to provide the value of customers with the category of being. This means that these companies are not yet fully able to offer products with a perception of quality or benefits that match the perceptions of prices paid by customers. While companies that claim to provide value of customers in the form of product value with excellent or superior recorded as much as 9.1% where they have the full ability to offer products with the perception of quality or benefits in accordance with the perception of prices paid by customers (Anggraeni, 2014). Based on research data obtained information as much as 76.6% of oil palm plantation companies in West Kalimantan Province states set the price of the product is. The price level of the product means that the price of the product that the company offers to customers is in the low-cost and expensive range. In the meantime, 15.6% of companies declared the price of expensive products. The study also found that 3.9% of oil palm plantation companies in West Kalimantan Province stated that the company's product price is very cheap compared to other companies and as much as 3.9% of the companies declared the price of cheaper products.

#### 4.4.3. Outcome achievement

Based on research data known as 53.2%

companies in the oil palm plantation industry in West Kalimantan Province declared the process of controlling with the category of being. Meanwhile, companies that claim to have excellent or superior control are 1.3% which means that managers in these companies are well aware of the health of their business so that they are better able to achieve superior performance. 4.4.2. Position excellence Information obtained by 64.9% of oil palm plantation companies in West Kalimantan Province stated that providing value of customers in the form of good product value. Meanwhile, as many as 26% of companies stated to provide the value of customers with the category of being. This means that these companies are not yet fully able to offer products with a perception of quality or benefits that match the perceptions of prices paid by customers. While companies that claim to provide value of customers in the form of product value with excellent or superior recorded as much as 9.1% where they have the full ability to offer products with the perception of quality or benefits in accordance with the perception of prices paid by customers (Anggraeni, 2014). Based on research data obtained information as much as 76.6% of oil palm plantation companies in West Kalimantan Province states set the price of the product is. The price level of the product means that the price of the product that the company offers to customers is in the low-cost and expensive range. In the meantime, 15.6% of companies declared the price of expensive products. The study also found that 3.9% of oil palm plantation companies in West Kalimantan Province stated that the company's product price is

of companies in the oil palm plantation industry in West Kalimantan Province stated doing business offer products to customers with strong. Even as many as 7.8% of oil palm plantation companies in West Kalimantan Province claim to be able to offer products to their customers very strongly illustrating that these companies have a much better performance so that their customers feel satisfied. While as many as 39% of oil palm plantation companies in West Kalimantan Province stated the category is in doing business offering products to customers (Sok and O'Cass, 2011). The research data shows the level of customer loyalty to the product of oil palm plantation company in West Kalimantan Province. Based on the figure, 93.5% of the companies said their customers are loyal and 3.9% of oil palm plantation companies in West Kalimantan Province stated their customers are very loyal. Meanwhile, as many as 2.6% of these companies declare their customers are less loyal, which means less have an emotional bond between the company and customers. Based on research data known respectively as much as 48.1% and 3.9% of companies in the oil palm plantation industry in West Java Province claimed a high market share and very high. While 44.2% of oil palm plantation companies in West Kalimantan Province claimed a moderate market share and the remaining 3.9% said they achieved low market share. This fact indicates the need to improve the capability of the company related to the ability to predict future sales of the company and the ability to position the company's products in the actual market. Based on

very cheap compared to other companies and as much as 3.9% of the companies declared the price of cheaper products. 4.4.3. Outcome achievement Based on research data known as 53.2% of companies in the oil palm plantation industry in West Kalimantan Province stated doing business offer products to customers with strong. Even as many as 7.8% of oil palm plantation companies in West Kalimantan Province claim to be able to offer products to their customers very strongly illustrating that these companies have a much better performance so that their customers feel satisfied. While as many as 39% of oil palm plantation companies in West Kalimantan Province stated the category is in doing business offering products to customers (Sok and O'Cass, 2011). The research data shows the level of customer loyalty to the product of oil palm plantation company in West Kalimantan Province. Based on the figure, 93.5% of the companies said their customers are loyal and 3.9% of oil palm plantation companies in West Kalimantan Province stated their customers are very loyal. Meanwhile, as many as 2.6% of these companies declare their customers are less loyal, which means less have an emotional bond between the company and customers. Based on research data known respectively as much as 48.1% and 3.9% of companies in the oil palm plantation industry in West Java Province claimed a high market share and very high. While 44.2% of oil palm plantation companies in West Kalimantan Province claimed a moderate market share and the remaining 3.9% said they achieved low market share. This fact indicates the need to improve the capability of the company related to the

field data known as 57.1% of companies in the oil palm plantation industry in West Kalimantan Province stated able to

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 180 achieve profit in the category of being. This study found also 29.9% of oil palm plantation companies in West Kalimantan Province that claimed to achieve high profits. It seems that business activities in these companies can run more efficiently and do not encounter significant obstacles in an effort to continue to improve corporate profits. Meanwhile, the remaining 13% of companies said it could achieve profit with low category. 4.4.4. Profit investment Based on research data obtained information as much as 31.2% of oil palm plantation companies in West Kalimantan Province states set aside some of the profit obtained by high category. Meanwhile, 51.9% of the companies stated that they set aside some of the profit earned by the medium category. The data of this study found also as much as 16.9% of companies stated set aside some of the profit obtained with low category (Zablah et al., 2016). 4.5. Corporate Economic Performance 4.5.1. Sales Based on the research data, it is known that 51.9% of oil palm plantation companies in West Kalimantan Province get the average annual level of domestic sales volume in the range of 91–100% than expected. This study also found a number of companies that get the level of annual domestic sales volume of categorized as high, that is as much as 24.7%. These firms have

ability to predict future sales of the company and the ability to position the company's products in the actual market. Based on field data known as 57.1% of companies in

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an annual level of annual domestic sales volume that is better than previously described because it is able to achieve an annual level of domestic sales volume in the range of 101–110% or above 100% than expected. Furthermore, it was found that the company obtained an annual level of annual domestic sales volume with a very high category of 3.9%, which means that it can achieve annual domestic sales volume of more than or equal to 111% of the expected. Meanwhile, as many as 19.5% of companies in the oil palm plantation industry in West Kalimantan Province received an annual low level of annual domestic sales volume of 76–90% (Grant, 2012). Based on research data, 53.2% of oil palm plantation companies in West Kalimantan Province obtained a moderate growth rate of domestic sales volume of 91–100%. Meanwhile, the company that gained low growth rate of domestic sales volume with low category is quite a lot, that is as much as 24.7%. These companies are only able to achieve economic performance in the range of 76–90% than expected. The research also found that companies that have high and very high growth of domestic sales volume are 18.2% and 3.9% respectively. These companies are able to achieve domestic sales volume growth above 100% than expected so that it can be concluded has a economic capability much better than the company described earlier. 4.5.2. Market share It is found that 50.6% of oil palm plantation companies in West Kalimantan Province earn annual domestic market share with medium category, which is in the range of 91–100% than expected. Meanwhile, as many as 36.4% of oil palm plantation companies in West Kalimantan Province claimed

it is known that 51.9% of oil palm plantation companies in West Kalimantan Province get the average annual level of domestic sales volume in the range of 91–100% than expected. This study also found a number of companies that get the level of annual domestic sales volume of categorized as high, that is as much as 24.7%. These firms have an annual level of annual domestic sales volume that is better than previously described because it is able to achieve an annual level of domestic sales volume in the range of 101–110% or above 100% than expected. Furthermore, it was found that the company obtained an annual level of annual domestic sales volume with a very high category of 3.9%, which means that it can achieve annual domestic sales volume of more than or equal to 111% of the expected. Meanwhile, as many as 19.5% of companies in the oil palm plantation industry in West Kalimantan Province received an annual low level of annual domestic sales volume of 76–90% (Grant, 2012). Based on research data, 53.2% of oil palm plantation companies in West Kalimantan Province obtained a moderate growth rate of domestic sales volume of 91–100%. Meanwhile, the company that gained low growth rate of domestic sales volume with low category is quite a lot, that is as much as 24.7%. These companies are only able to achieve economic performance in the range of 76–90% than expected. The research also found that companies that have high and very high growth of domestic sales volume are 18.2% and 3.9% respectively. These companies are able to achieve domestic sales volume growth above 100% than expected so that it can be concluded has a economic capability much better than the company described earlier. 4.5.2.

to reach an annual domestic market share with high category, which is in the range of 101–110% than expected. These companies are able to capture the above market share from the targeted so that the profitability gained becomes increased. Increased profitability provides an opportunity for the company to continue to develop its field of business. This study also found a number of companies that claimed to reach the annual domestic market share with low category or reach market share below 100% than expected, ie as much as 13% (Pirard, 2012). The growth of domestic market share of oil palm plantation companies in West Kalimantan Province in 2000–2005 shows that as many as 46.8% are in the medium or new category can reach 91–100% than expected. This means that the potential of these companies to achieve competitive advantage is far from being expected. Of particular concern are 24.7% and 1.3% of oil palm plantation companies in West Kalimantan Province have experienced low and very low domestic market share growth ranging from 76% to 90% and  $\leq 75\%$  of the expected. These companies are experiencing many obstacles related to creating competitive advantage so that their competitive ability becomes low. Meanwhile, 26% and 1.3% of companies in the oil palm plantation industry in West Kalimantan Province grew the growth of domestic market share with high and very high category or above 100% than expected. In general, based on field data about the company's economic performance in oil palm plantation companies in West Kalimantan Province, it is known that not all plantation companies are able to achieve economic performance above 100% than expected. This fact is a



Market share It is found that 50.6% of oil palm plantation companies in West Kalimantan Province earn annual domestic market share with medium category, which is in the range of 91–100% than expected. Meanwhile, as many as 36.4% of oil palm plantation companies in West Kalimantan Province claimed to reach an annual domestic market share with high category, which is in the range of 101–110% than expected. These companies are able to capture the above market share from the targeted so that the profitability gained becomes increased. Increased profitability provides an opportunity for the company to continue to develop its field of business. This study also found a number of companies that claimed to reach the annual domestic market share with low category or reach market share below 100% than expected, ie as much as 13% (Pirard, 2012). The growth of domestic market share of oil palm plantation companies in West Kalimantan Province in 2000–2005 shows that as many as 46.8% are in the medium or new category can reach 91–100% than expected. This means that the potential of these companies to achieve competitive advantage is far from being expected. Of particular concern are 24.7% and 1.3% of oil palm plantation companies in West Kalimantan Province have experienced low and very low domestic market share growth ranging from 76% to 90% and  $\leq 75\%$  of the expected. These companies are experiencing many obstacles related to creating competitive advantage so that their competitive ability becomes low. Meanwhile, 26% and 1.3% of companies in the oil palm plantation industry in West Kalimantan Province grew the

crucial obstacle that must be overcome in relation to efforts to improve the overall performance of the company in order to achieve the optimal contribution rate of performance improvement of national oil palm plantation companies to achieve the target of Indonesia able to shift the position of Malaysia as world palm oil producer in 2010. 4.6. The Influence of Customer Focus, Competitor Intelligence and Cross-functional Employment Relationship to Competitive Advantages and Economic Performance 4.6.1. The influence of customer focus, competitor intelligence and cross-functional employment relationship to competitive advantages The formulation of hypothesis 1 states that customer focus ( $X_1$ ), competitor intelligence ( $X_2$ ) and cross-functional work relationship ( $X_3$ ) influence the company's competitive advantage ( $Y$ ). From the results of hypothesis testing 1 can be concluded that this study only found a significant influence of competitor intelligence to the company's competitive advantage. The amount of competitor's intelligence contribution to the company's competitive advantage is  $p^2 \times y^2 = (0.532)^2 = 0.272509$  or 27.25%. The results of this analysis indicate that competitor intelligence has become a factor consideration of the palm oil plantation industry and affect the company's competitive advantage. The competitor's intelligence influence on the company's competitive advantage is large enough that competitor intelligence changes can bring considerable change to the company's competitive advantage. The contribution of other factors affecting the competitor's intelligence relation to

growth of domestic market share with high and very high category or above 100% than expected. In general, based on field data about the company's economic performance in oil palm plantation companies in West Kalimantan Province, it is known that not all plantation companies are able to achieve economic performance above 100% than expected. This fact is a crucial obstacle that must be overcome in relation to efforts to improve the overall performance of the company in order to achieve the optimal contribution rate of performance improvement of national oil palm plantation companies to achieve the target of Indonesia able to shift the position of Malaysia as world palm oil producer in 2010. 4.6. The Influence of

Customer Focus, Competitor Intelligence and Cross-functional Employment Relationship to Competitive Advantages and Economic Performance 4.6.1. The influence of customer focus, competitor intelligence and cross-functional employment relationship

to competitive advantages The formulation of hypothesis 1 states that customer focus ( $X_1$ ), competitor intelligence ( $X_2$ ) and cross-functional work relationship ( $X_3$ ) influence the company's competitive advantage ( $Y$ ). From the results of hypothesis testing 1 can be concluded that this study only found a significant influence of competitor intelligence to the company's competitive advantage. The amount of competitor's intelligence contribution to the company's competitive advantage is  $p^2_{yx} = (0.532)^2 = 0.272509$  or 27.25%. The

the company's competitive advantage is  $(0.7197)^2 = 0.5180 \times 100\% = 51.80\%$ . The

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 181 results of the analysis indicate that there are still many factors that affect the company's competitive advantage outside the competitor's intelligence that requires further research. 4.6.2. The influence of customer focus, competitor intelligence and cross-functional employment relationship to economic performance Testing of hypothesis 2 which states the focus on the customer, competitor intelligence and cross-functional working relationships affect the economic performance is done by the same procedure as hypothesis testing. (1) The results of testing hypothesis 2 shows that the direct contribution of the competitor's intelligence to the economic performance of the company is 20.52% and the indirect influence of competitor intelligence through cross-functional employment relationships to the company's economic performance is 4.99%. While the overall influence of competitor intelligence on the company's economic performance is 25.51%. This indicates that the competitor's intelligence affects the company's economic performance. 4.6.3. The influence of cross-functional employment relationship to the company's economic performance From the test results it is known that the direct contribution of inter-functional working relationship to the company's economic performance is 9.06% and the indirect

results of this analysis indicate that competitor intelligence has become a factor consideration of the palm oil plantation industry and affect the company's competitive advantage. The competitor's intelligence influence on the company's competitive advantage is large enough that competitor intelligence changes can bring considerable change to the company's competitive advantage. The contribution of other factors affecting the competitor's intelligence relation to

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Issue 5 • 2018 181 results of the analysis indicate that there are still many factors that affect the company's competitive advantage outside the competitor's intelligence that requires further research. 4.6.2. The influence of customer focus, competitor intelligence and cross-functional employment relationship to economic performance Testing of hypothesis 2 which states the focus on the customer, competitor intelligence and cross-functional working relationships affect the economic performance is done by the same procedure as hypothesis testing. (1) The results of testing hypothesis 2 shows that the direct contribution of the competitor's intelligence to the economic performance of the company is 20.52% and the

effect of cross- functional work relations through the competitor's intelligence to the company's economic performance is 4.99%. While the influence of the overall working relationship cross function to the company's economic performance is 14.05%. This indicates that the inter-functional working relationship has an effect on the company's economic performance. The overall influence of competitor intelligence variables and cross-functional employment relationships on firm economic performance results  $R^2 Z (X1, X2, X3) = (0.453) (0.563) + (0.301) (0.467) = 0.395606$ . The degree of influence of other variables outside the competitor's intelligence and cross-functional employment relationships to company economic performance not included in the scope of this study is calculated. From the calculation results obtained  $\rho_{Z\epsilon} = 0.7742$ . Thus it can be stated that the contribution of other factors affecting the competitor's intelligence relation and cross-functional working relationship to the company's economic performance is  $(0.7742)^2 = 0.6044 \times 100\% = 60.44\%$ . 4.6.4. The influence of competitive advantages on economic performance From the calculation of correlation using SPSS software obtained correlation coefficient between Y to Z or  $r_{yz}$  of 0.744 which is no other coefficient value of the path from Y to Z or  $\rho_{zy}$ . The results of this calculation gives a value of  $t = 9.6430$ . From the distribution table  $t$  with degrees of freedom  $db = n-2 = 77-2 = 75$  and  $\alpha = 0.05$  obtained  $t$ table value of 2.287292. Thus, the  $\rho_{zy}$  path coefficient is declared significant because  $t_{hitung} < t_{table}$ . While the influence of other variables on Z outside Y obtained value  $\rho_{Z\epsilon} = 0.6682$ . Based on the above calculation it can be stated that the

indirect influence of competitor intelligence through cross-functional employment relationships to the company's economic performance is 4.99%. While the overall influence of competitor intelligence on the company's economic performance is 25.51%. This indicates that the competitor's intelligence affects the company's economic performance. 4.6.3. The influence of cross-functional employment relationship to the company's economic performance From the test results it is known that the direct contribution of inter-functional working relationship to the company's economic performance is 9.06% and the indirect effect of cross-functional work relations through the competitor's intelligence to the company's economic performance is 4.99%. While the influence of the overall working relationship cross function to the company's economic performance is 14.05%. This indicates that the inter-functional working relationship has an effect on the company's economic performance. The overall influence of competitor intelligence variables and cross-functional employment relationships on firm economic performance results  $R^2_Z(X1, X2, X3) = (0.453) (0.563) + (0.301) (0.467) = 0.395606$ . The degree of influence of other variables outside the competitor's intelligence and cross-functional employment relationships to company economic performance not included in the scope of this study is calculated. From the calculation results obtained  $\rho^2_{Z\epsilon} = 0.7742$ . Thus it can be stated that the contribution of other factors affecting the competitor's intelligence relation and cross-functional working relationship to the company's economic performance is  $(0.7742)^2 = 0.6044 \times 100\% = 60.44\%$ . 4.6.4. The influence of competitive

hypothetical proposition in the formulation of hypothesis 3 of this study is acceptable, since the path coefficient from Y to Z is statistically significant or significant. This indicates that the company's competitive advantage influences the company's economic performance. The magnitude of the direct influence between Y and Z is  $(0.744)^2 = 0.5535$  or 55.35% which means that changes in the company's competitive advantage have a big impact on changing the company's economic performance. While the influence of other variables outside the variables of the company's competitive advantage to the company's economic performance is equal to  $\rho^2_{Z\epsilon} = (0.6682)^2 = 0.4465$  or 44.65%. This shows that there are still many factors that affect the company's economic performance beyond the company's competitive advantage that requires further research. Thus, it can be stated that the increase in competitive advantage depends on competitor intelligence. Meanwhile, economic performance improvements depend on competitor intelligence and cross-functional working relationships, but the high level of economic performance achievement depends also on the company's competitive advantage. Based on the market-based economic process conducted by the oil palm plantation industry, it is illustrated that: (1) The Company has implemented a focus on the customer by taking into account factors of product delivery system, product performance/performance, brand/company image, price-value relationship, employee performance, and competition; (2) In the implementation of competitor intelligence the company has noticed the availability of competitor databases, less attention to customer surveys, less

advantages on economic performance From the calculation of correlation using SPSS software obtained correlation coefficient between Y to Z or  $r_{yz}$  of 0.744 which is no other coefficient value of the path from Y to Z or  $\rho_{zy}$ . The results of this calculation gives a value of  $t = 9.6430$ . From the distribution table  $t$  with degrees of freedom  $df = n-2 = 77-2 = 75$  and  $\alpha = 0.05$  obtained  $t$  table value of 2.287292. Thus, the  $\rho_{zy}$  path coefficient is declared significant because  $t_{hitung} < t_{table}$ . While the influence of other variables on Z outside Y obtained value  $\rho_{z\epsilon} = 0.6682$ . Based on the above calculation it can be stated that the hypothetical proposition in the formulation of hypothesis 3 of this study is acceptable, since the path coefficient from Y to Z is statistically significant or significant. This indicates that the company's competitive advantage influences the company's economic performance. The magnitude of the direct influence between Y and Z is  $(0.744)^2 = 0.5535$  or 55.35% which means that changes in the company's competitive advantage have a big impact on changing the company's economic performance. While the influence of other variables outside the variables of the company's competitive advantage to the company's economic performance is equal to  $\rho_{z\epsilon}^2 = (0.6682)^2 = 0.4465$  or 44.65%. This shows that there are still many factors that affect the company's economic performance beyond the company's competitive advantage that requires further research. Thus, it can be stated that the increase in competitive advantage depends on competitor intelligence. Meanwhile, economic performance improvements depend on competitor intelligence and cross-functional working relationships, but the high level of

attention to the interviews of suppliers, less attention to the importance of strategic alliances with competitors, no consideration at all the importance of hiring competitor employees, paying attention to the importance of evaluating competitors' products; (3) Working cross-functional relationships within the company have been running well supported by the effective communication process based on the high perspectives of managers with high responsiveness as well to create high compatibility among managers within the company; (4) Firms are capable enough to create competitive advantage by taking into account the factors of source excellence, position advantage, end result achievement, and setting aside some of the profits as an investment to maintain competitive advantage (Wiklund and Shepherd, 2003). Considering that competitor intelligence has an effect on competitive advantage and competitive advantage influence to economic performance, less competent competitor's intelligence can weaken the company's competitive advantage and ultimately create barriers for the company to achieve its economic performance. On the other hand, the achievement of the economic work depends also on the cross-functional working relationships run within the company. Thus, although intelligence competes in the company runs less effectively but because the cross-functional working relationship within the company can run well then the company is still able to achieve economic performance that can be seen from the acquisition of sales volume and market share and each growth (Song and Chen, 2014).

economic performance achievement depends also on the company's competitive advantage. Based on the market-based economic process conducted by the oil palm plantation industry, it is illustrated that: (1) The Company has implemented a focus on the customer by taking into account factors of product delivery system, product performance/performance, brand/company image, price-value relationship, employee performance, and competition; (2) In the implementation of competitor intelligence the company has noticed the availability of competitor databases, less attention to customer surveys, less attention to the interviews of suppliers, less attention to the importance of strategic alliances with competitors, no consideration at all the importance of hiring competitor employees, paying attention to the importance of evaluating competitors' products; (3) Working cross-functional relationships within the company have been running well supported by the effective communication process based on the high perspectives of managers with high responsiveness as well to create high compatibility among managers within the company; (4) Firms are capable enough to create competitive advantage by taking into account the factors of source excellence, position advantage, end result achievement, and setting aside some of the profits as an investment to maintain competitive advantage (Wiklund and Shepherd, 2003). Considering that competitor intelligence has an effect on competitive advantage and competitive advantage influence to economic performance, less competent competitor's intelligence can weaken the company's competitive advantage and ultimately create barriers for the

Nurmala: Building Competitive Advantage for Economic Performance: A Study of the Palm Plantation Company in West Kalimantan International Journal of Economics and Financial Issues | Vol 8 • Issue 5 • 2018 182 5. CONCLUSION Increasing world market demand for palm oil and its derivative products is an opportunity for oil palm plantation industries in Indonesia, especially in West Kalimantan Province to continue to increase competitive advantage that can improve the performance of economic. Increasing competitive advantage is determined by the company's ability to run customer focus, competitor intelligence and cross-functional working relationships. The competitive advantage of oil palm plantation companies in West Kalimantan Province is more dominantly influenced by competitor intelligence. Because the competitor's intelligence is less effective, the competitive advantage created becomes less powerful. Overall competitor intelligence affects economic performance. But given the competitor's intelligence is not supported by accurate information about the behavior of competitors, then the competitive advantage of palm oil plantation companies have not been able to provide optimal results for economic performance. To conduct competitor intelligence, oil palm plantation companies in West Kalimantan Province have sought to provide competitor databases, conduct customer surveys, interview suppliers, form strategic alliances to hire/hire competitor employees, and evaluate competitors' products. In fact, not all companies in the oil palm plantation industry in West Kalimantan Province have been able to competently compete their intelligence, particularly those

company to achieve its economic performance. On the other hand, the achievement of the economic work depends also on the cross-functional working relationships run within the company. Thus, although intelligence competes in the company runs less effectively but because the cross-functional working relationship within the company can run well then the company is still able to achieve economic performance that can be seen from the acquisition of sales volume and market share and each growth (Song and Chen, 2014).

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world market demand for palm oil and its derivative products is an opportunity for oil palm plantation industries in Indonesia, especially in West Kalimantan Province to continue to increase competitive advantage that can improve the performance of economic. Increasing competitive advantage is determined by the company's ability to run customer focus, competitor intelligence and cross-functional working

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related to customer surveys, supplier interviews, strategic alliances, hiring/hiring of competing employees, and evaluating competitors' products. Because the competitor's intelligence done by the company is less effective then the company is less able to create a strong competitive advantage so that the acquisition of economic performance becomes less optimal. The acquisition of economic performance is also influenced by the ability of companies to do cross-functional work relations, namely how far the ability of corporate managers in terms of communication, perspective, responsiveness and compatibility. In general, companies in the oil palm plantation industry in West Kalimantan Province can perform cross-functional working relationships well so it should be able to achieve optimal economic performance. But because there are other factors, namely competitor intelligence, which affects the company's economic performance in the oil palm plantation industry in West Kalimantan Province, the economic performance achieved is not as expected. The level of competition in the domestic market especially in West Kalimantan Province encourages companies in the oil palm plantation industry in West Kalimantan Province to create and maintain competitive advantage by taking into account the advantages of the source, the position advantage, the achievement of the end result, and set aside some of the profit as an investment to maintain competitive advantage. This competitive advantage has an effect on economic performance which is shown through the acquisition of sales volume and market share and growth rate. But because the competitive advantage is less strong than the

is more dominantly influenced by competitor intelligence. Because the competitor's intelligence is less effective, the competitive advantage created becomes less powerful. Overall competitor intelligence affects economic performance. But given the competitor's intelligence is not supported by accurate information about the behavior of competitors, then the competitive advantage of palm oil plantation companies have not been able to provide optimal results for economic performance. To conduct competitor intelligence, oil palm plantation companies in West Kalimantan Province have sought to provide competitor databases, conduct customer surveys, interview suppliers, form strategic alliances to hire/hire competitor employees, and evaluate competitors' products. In fact, not all companies in the oil palm plantation industry in West Kalimantan Province have been able to competently compete their intelligence, particularly those related to customer surveys, supplier interviews, strategic alliances, hiring/hiring of competing employees, and evaluating competitors' products. Because the competitor's intelligence done by the company is less effective then the company is less able to create a strong competitive advantage so that the acquisition of economic performance becomes less optimal. The acquisition of economic performance is also influenced by the ability of companies to do cross-functional work relations, namely how far the ability of corporate managers in terms of communication, perspective, responsiveness and compatibility. In general, companies in the oil palm plantation industry in West Kalimantan Province can perform cross-functional working relationships well so it should

competitors, it has not provided a guarantee to improve economic performance. Overall, the results of this study find a new concept model that reveals that to improve competitive advantage, companies need to implement competitor intelligence effectively. The effectiveness of competitor intelligence in addition to affecting competitive advantage also affects economic performance. Meanwhile, to improve the economic performance can be achieved also through the improvement of cross-functional working relationship. Given the company's competitive advantages have a big effect on economic performance, the company needs to create and maintain the competitive advantage it has. REFERENCES BCG. (2015), *Winning through Project Portfolio Management*. (PMI). Available from: <http://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/win-portfolio-management-practitioner-perspective.pdf>. Al-Tuwaijri, S.A., Christensen, T.E., Hughes, K.E. (2004), The relations among environmental disclosure, environmental performance, and economic performance: A simultaneous equations approach. *Accounting, Organizations and Society*, 29(5), 447-471. Ang, L. (2011). Community relationship management and social media. *Journal of Database Marketing and Customer Strategy Management*, 18(1), 31-38. Anggraeni, R.D. (2014), Increasing lecturer competence as the quality assurance of lecturer performance. *Management Studies*, 2(5), 309-329. Barney, J. (1991), Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120. Boons, F., Montalvo, C., Quist, J., Wagner, M. (2013), Sustainable innovation, business



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