

Achieving Marketing Performance through Acculturative Product Advantages: The Case of Sarong *Samarinda*

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ABSTRACT

Manuscript type: Research paper

Research aims: This study aims to investigate the role of acculturative product as an isolative mechanism for achieving the marketing performance of small and medium enterprises (SMEs) in Indonesia. Specifically, it focusses on the Indonesian Sarong *Samarinda* industry.

Design/Methodology/Approach: Data were collected from 207 individual entrepreneurs who are involved in Sarong *Samarinda* businesses in East Kalimantan, Indonesia. Structural equation modelling (SEM) using AMOS was utilised to analyse the data.

Research findings: The results of this study show that the advantages of the acculturative products influence the marketing performance. This study highlights the importance of innovativeness in securing the potentials of the acculturative products for the SME industry in Indonesia. It is also observed that the acculturative product acts as the mediator between innovativeness and marketing performance.

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<https://doi.org/10.22452/ajba.vol13no1.9>

Theoretical contribution/Originality: The empirical evidence of this study highlights the importance of acculturative products as an isolating mechanism which can help organisations to maintain and sustain their competitiveness.

Practitioner/Policy implication: This study offers insights to entrepreneurs and policy makers to better understand how the *Samarinda* industry could be developed, which potentially would contribute to the country's economy.

Research limitation/Implications: Since this study focusses on *Samarinda* city only, the generalisability of the findings may be limited. Therefore, future studies should incorporate a larger and more diverse set of samples.

Keywords: Innovativeness, Acculturative Product Advantage, Isolating Mechanism, Marketing Performance, Creative Industry

JEL Classification: M3

1. Introduction

Small and medium enterprises (SMEs) play an important role in the economic development of Indonesia. They account for 60 per cent of the country's GDP, offering 97 per cent of employment opportunities to the country's population. As of 2018, the number of SMEs in Indonesia had increased to 58.97 million (Indonesia Central Bureau of Statistics, 2018). Keeping in view the importance of the SMEs towards the country's economic growth, the government has taken steps to further develop these SMEs through cooperatives created in each province/district/city. Various grants including credits, working capital and investment financing plans are provided so as to promote local entrepreneurship.

Although it is imperative for the SMEs to be supported by external institutional support, there is also a dire need for these SMEs to develop their internal capabilities. Innovativeness, creativity and the ability to create new ideas, processes or products are important fuel for SMEs (Wang & Chen, 2018; Terziovski, 2009). Innovativeness helps the SMEs to gain sales and revenues, thereby leading to sustainability (Tuan, Nhan, Giang, & Ngoc, 2016; Indriastuti, Nugroho, & Aryanto, 2017). However, there were reports (Al-Zyadaat, Saudi, & Al-Awamreh, 2012; Boermans & Roelfsema, 2015; Iawan & Nursyamsiah, 2019) noting that innovativeness had not been able to improved marketing performance. This inconsistency derived from prior empirical works imply that there is a possible intervening variable that may affect the relationship

between innovativeness and marketing performance. Among literature (Rumelt, 2005; Mazur & Kulczyk, 2013) focussing on strategic performance, isolating mechanisms have been noted to be a factor that may help the resource owner to gain value appropriations. This is because isolating mechanisms allow the resources to be protected, for instance, from being copied by competitors. In this regard, the isolating mechanism enable companies to generate abnormal profits for the long term. This isolating mechanism may come in the form of knowledge, or any physical or legal barrier. Taking this into account, this study thus includes isolating mechanism as a mediator that could affect the relationship between product innovation and marketing performance.

Acculturation is a social, psychological and cultural process that causes a change when two or more different cultures are assimilated. In this process, individuals adopt, acquire and adjust to a new cultural environment. From the contacts and interactions of these cultures, acculturative products are born. These acculturative products have a strong product identity which is difficult to imitate, since they represent the local culture owned by the community. Being a multi-ethnic country, Indonesia possesses various types of distinct local cultures which are represented by its local products. In the case of the sarong *Samarinda* industry, the local product is the sarong which is made traditionally. It is an acculturative product derived from the Bugis-Wajo tribe of the island of Sulawesi and Dayak and Kutai tribes of the island of Borneo. The sarong was therefore born from the assimilation of three different ethnic cultures in Indonesia. As an acculturative product, the sarong has a unique geometric pattern and motive, and it has been claimed to be a typical product of Samarinda. Due to this, the government of Indonesia has a duty to protect this legacy so that it is not copied by other parties, making it a product that is difficult to imitate. As a result of this uniqueness, the Sarong *Samarinda* can then be used to support the industry's business strategy (Barney, 1991; Day & Wensley, 1983). While acculturative products have been taking place in Indonesia over the years, research focusing on this aspect of the country is scarce (Ferdinand & Fitriani, 2015; Yuliarma, 2019). Many of the earlier studies looking at acculturative products tended to focus on culture tourism and the batik industry only (e.g., Lumbaraja, Lubis, & Hasibuan, 2019). Given this research gap, the current study aims to fill the research void by investigating the mediating effect of the acculturative product on the relationship between innovativeness and marketing performance.

The remaining discussion of this paper is organised as follows. Section 2 reviews the literature pertaining to Sarong *Samarinda* as a creative industry in Indonesia, and its theoretical development. Section 3 discusses the methodology employed while Section 4 reports on the results. Section 5 discusses the findings and Section 6 concludes the paper by focussing on the implications for management and theory.

2. Literature Review

2.1 *Sarong Samarinda as a Creative Industry in Indonesia*

Creative industry refers to a business that uses creativity, culture and environment so as to produce an outcome or product that can be categorised under the arts, culture and entertainment group (Howkins, 2001). In Indonesia, the concept of “creative industry” was first coined in 2007 when the government realised the country’s potential, having a population of people who were not only highly skilled and talented but also with enormous creativity. All these had been underpinned by its bountiful multi-ethnic cultures (Windarti, 2016). The creative industry of Indonesia is mainly dominated by the micro, small and medium scale enterprises. In 2016, there were approximately 60 million SMEs in the industry which contributed towards 61.41 per cent of the GDP (Indonesia Central Bureau of Statistics, 2018). Sarong *Samarinda* represents one of the creative industries in East Kalimantan. The sarong is an item used as a clothing by men who had migrated from South Sulawesi (Bugis-Wajo tribe) to East Kalimantan. The sarong produced is used widely since a majority of the residents are Muslims who utilise it as a clothing for worship. The Sarong *Samarinda* has been assimilated with the local culture, mainly from the Dayak and Kutai tribes, and today it is recognised as the “identity” or “trademark” of its residents, hence it has been promoted as one of the acculturative products in the creative industry.

Sarong *Samarinda* is currently produced manually, either by using non-machine weaving or *gedogan*, which is recognised to offer originality (Purwadi, 2016). Due to this, Sarong *Samarinda* is accepted as an Indonesian culture and wealth. It is considered a unique and valuable product passed down from the ancestors. As of 2015, there were already 300 weavers in the city of Samarinda with 100 of them having received training in motif designs and colouring (Ministry of Trade, 2015). The production process incurred for a single Sarong *Samarinda* can take

about 1.5 to 2 months (Cahya, 2018). The woven sarong carries a very good quality, and it is quite well known both locally and abroad because of its unique style and superiority in comfort. Although there is also printed Sarong *Samarinda* available, most consumers still prefer the original Sarong *Samarinda* because of its uniqueness and high quality. Due to its identity and uniqueness, the Sarong *Samarinda* could be integrated to become a part of the acculturative products of the country's creative industry. Doing so would help to stimulate the country's tourism growth where tourists could be introduced to the cultural heritage of East Kalimantan.

The production of Sarong *Samarinda* has been mainly performed by traditional weavers who weave the sarong for their own use only. Without doubt, it can be introduced to the community as an economic activity that could generate side income for the individual members of the community (Samsir & Nurwati, 2018). Through promotions conducted by the creative industry and the government of Indonesia, many of the locals and other sectors are beginning to see the potential of this sector. This sector is a small scale industry where the production is only sufficient to accommodate the market's needs. However, due to its uniqueness, quality and creative potentials, the Sarong *Samarinda* industry can be considered as one of the community's source of income. To date, the weavers or the entrepreneurs of this industry have started to make some small innovations to the product by designing new motives as well as varying the products such as creating new forms of sarong, and turning the product into other creations. This move was established by the entrepreneurs in their effort to embrace and to accommodate current market needs. In other words, the sarong has been turned into other types of clothing. This phenomenon was in line with the instruction of the City of Samarinda's ruler who wanted the government officers to wear clothing lines that were based on Sarong *Samarinda* for their official events (Purwadi, 2016).

2.2 Theoretical and Hypotheses Development

2.2.1 Resource Based View Theory

This study employs the resource based view (RBV) theory as the underpinning theory. The theory asserts that an organisation's performance is explained primarily by the existence of its valuable, rare, non-substitutable and inimitable products (Barney, 2001). These valuable

resources can be divided into tangible and intangible resources. It is normal for an organisation to acquire and exercise control over its resources so that these can be used to offer a competitive advantage. To ensure that their resources remain unique, rare and inimitable, the organisations would use various control mechanisms. For instance, for a resource to remain inimitable, Barney (1991) said that at least one of the following three isolating mechanisms must be used as a protective measure: unique historical condition, causal ambiguity (i.e., the link between the resource and the firm's competitive advantage is not fully understood), and social complexity (e.g., culture). An organisation can only compete through these isolating mechanisms by effectively producing products that are perceived as "superior", "different" and "rare", that is, there is no available substitute (Busby, 2019). Meantime, organisations also utilise their capabilities to enable them to develop and embrace new innovations (Crook, Todd, Combs, Woehr, & Ketchen, 2011). In other words, organisations that possess unique resources and capabilities would be able to gain and sustain their competitive advantage. This theory is relevant in the context of this study because the resources of the Sarong *Samarinda* are particularly important for the small and medium scale businesses. Clearly, inadequate resources can influence firms to focus on the short-term gain rather than the long-term benefits, and this can hinder the industry from exploiting further opportunities to develop their unique offerings (Zucchella & Siano, 2014), hence, the RBV perspective is of use in the context of this study. It offers an opportunity for the current study to analyse how the success of small businesses are associated with internal resources and capabilities.

Based on the RBV theory, two variables, namely the advantages of the acculturative product and innovativeness were applied. Acculturative products are those which are unique and have distinct values when compared to the original products. They are developed based on the assimilation of the cultural values of a particular place. This gives the industry its competitive edge when compared to its competitors (Sugiyarti, 2018; Sugiyarti, Ferdinand, & Nurhayati, 2018). Sarong *Samarinda* is a typical acculturative products that is the result of the interaction and assimilation of three cultures - the Bugis-Wajo, the Dayak and the Kutai tribes in East Kalimantan in Indonesia (Ferdinand & Fitriani, 2015). Although imitations of the Sarong *Samarinda* are available in the market since they could be produced and marketed at a much cheaper price than the original, consumers tend to favour the original because it has a distinctive quality and characteristic (Samsir &

Nurwati, 2018). This means that as an acculturative product, the Sarong *Samarinda* can be used as Indonesia's cultural heritage. However, this has to be dependent on the isolating mechanisms. In the RBV theory, isolating mechanisms have been used by companies to create barriers so as to prevent competitors from imitating their resources, capabilities and respective strategies used to develop their products. In the case of Sarong *Samarinda*, the motives, patterns, designs and attributes can be made unique because they have some symbolic strength when used in combination with the local cultures that also have different values. This would make it difficult for competitors to imitate the product. Moreover, the process of producing the original Sarong *Samarinda* is also unique; it requires the weavers to possess unique skills and knowledge. These two resources, clearly represent the acculturative products advantage, thereby making the product difficult to be transferred and copied (Purwadi, 2016).

Previous literature noted that an acculturative product could serve as an iconic product; it can represent a certain community, thus it can be used potentially to enhance its marketing performance (Sugiyarti, 2018; Wingwon, 2012). In the context of Sarong *Samarinda*, the differentiation strategy, as noted through the product uniqueness, is believed to enable the producers to sustain their marketing performance. The unique features or characteristics that can be easily spotted by the customers may lead to their full awareness of the product's uniqueness, thereby encouraging more purchases of the product to be made (Agrawal & Bhuiyan, 2014). Based on these arguments, this study postulates that:

H₁: Acculturative product advantages are positively related to marketing performance.

Substantial literature (e.g., De Jong & Marsili, 2006; Berends, Jelinek, Reymen, & Stultiens, 2012) showed that small and medium scale businesses have the ability to survive and grow. However, this may depend on the SMEs' ability to adopt new ideas, products and processes even though the original idea may have been developed somewhere else. The entrepreneurs or the owners of such SMEs need to be innovative if they want to be market leaders. They need to be proactive and be willing to make innovations (Tajeddini & Mueller, 2009; Billore & Billore, 2019). SMEs that are innovative demonstrate an open-minded behaviour which responds to customer needs, thereby enhancing their ability to obtain high marketing performance (Sulistyo & Siyamtinah, 2016; Killa, 2014). In contrast, those that are narrow-minded, myopic or

do not possess creativity, tend to have lower marketing performance as they are unable to meet the needs of the customers.

In the context of Sarong *Samarinda* industry, it is expected that innovative producers will exhibit creativity in exploring new designs, motives and materials that would create positive customer engagement, thereby triggering better sales performance. Innovative producers are inclined towards creativity; hence they are better at articulating the value proposition of Sarong *Samarinda*. Therefore, marketing performance will increase and this may even exceed their comfort zone where they seek new business opportunities. In a creative industry, such as Sarong *Samarinda*, the ability of the human resources in producing innovative products is important. This will enable the industry to gain marketing performance since the industry is highly dependent on human input which comes in the form of know-how and specific and highly unique skills (Booyens, 2012). Based on these arguments, this study postulates that:

H₂: Innovativeness is positively related to market performance.

As a creative industry, Sarong *Samarinda* is more oriented towards micro and small-scale productions that require a high level of exclusivity and creativity. The ability of the weavers to produce unique products can increase the value and competitiveness of Sarong *Samarinda*. Since the sarong is the outcome of an acculturative process, there is a need to preserve the local cultural identity. In that regard, it requires innovation. Through this innovation, there will be modifications, such as motifs, designs and materials. All of these would be tailored to the taste of the end-consumers, thereby increasing the value of the Sarong *Samarinda* produced. Previous literature (Staniewski, Nowacki, & Awruk, 2016) mentioned that innovativeness helped to produce solutions that can overcome production problems. Innovativeness can bring about benefits which can enhance the quality of the products for customers. Based on these arguments, this study postulates that:

H₃: Innovativeness is positively related to acculturative product advantages.

While many studies (De Jong & Marsili, 2006; Berends et al., 2012) had demonstrated the significant relationship between innovativeness and marketing performance, findings have been inconsistent. A handful of studies had actually failed to establish the association between these

two variables (Zhang, Liang, & Wang, 2016; Kyrgidou & Spyropoulou, 2013; Story, Daniels, Zolkiewski, & Dainty, 2014). This inconsistency has led to the ambiguous result of the relationship between innovativeness and marketing performance. Our preceding hypotheses have associated the relationship between innovativeness, acculturative product advantages and marketing performance. Implicitly, the discussion also suggests that innovativeness affects marketing performance through acculturative product advantages. This implies that entrepreneurs with higher innovativeness are better able to produce acculturative products that have higher values, thereby enabling them to increase their marketing performance. While innovativeness may help entrepreneurs to gain in marketing performance, the production of acculturative products is an opportunity for the industry to gain rents through temporary establishments of monopolies. The introduction of the Sarong *Samarinda* which has its own uniqueness as noted in its traditional motives and designs, is thus an opportunity for the entrepreneurs to stand out among its competitors. Based on these arguments, this study postulates that:

H₄: Acculturative product advantages will mediate the relationship between product innovativeness and marketing performance.

Following the above discussion, a research framework which posits that product innovativeness has a positive impact on marketing performance was developed. Acculturative product advantages are also expected to mediate the relationship between product innovativeness and marketing performance. Figure 1 illustrates the research framework.

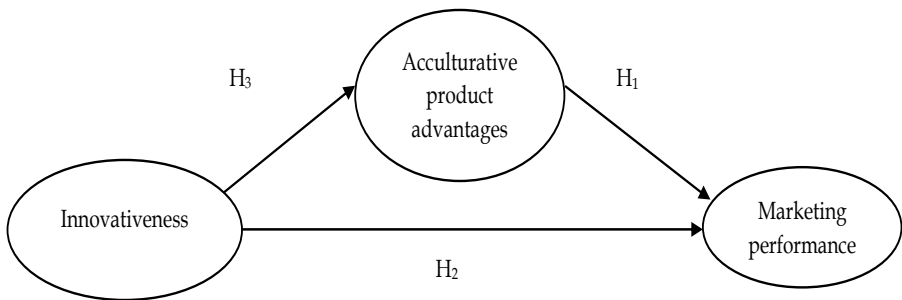


Figure 1: Research Framework

Note: H₄ is the mediating effect.

3. Data and Methodology

This study is quantitative in nature. A survey questionnaire was administered to 207 entrepreneurs. The measurements used to assess each construct of the questionnaire were adapted from previous studies. The indicators used for measuring the acculturative product advantages include looking at the superiority of the acculturative motive, the superiority of the acculturative patterns, the superiority of the symbolic designs and the advantages of its unique attributes. These items were adapted from Ferdinand and Fitriani (2015). The product innovativeness was evaluated through four items which measured the extent of the entrepreneurs/weavers' capabilities in producing unique, novel and creative products as well as developing business opportunities. In this study, the marketing performance was measured using indicators such as: sales volume growth, sales opinion growth, customer level growth, and sales area growth. These items were adapted from Ardyan (2016). As was expected, the entrepreneurs used mainly the Indonesian language as they were not well-versed in the English language; hence the questionnaire was translated into Indonesian without changing the contents and meanings of the questions. The questionnaire was first evaluated by five academics in the area of strategic marketing. Then, it was pilot tested on 20 entrepreneurs. This helped to establish the content and face validity of the instrument used.

Samples serving as the entrepreneurs were from Kampung Tenun, a village in the city of Samarinda, East Kalimantan. This village was chosen because it is the centre of Sarong *Samarinda's* production. It has also been recognised as the icon of the Samarinda city. It is located on the edge of the Mahakam River and it was the first settlement developed in Samarinda. From 2012, the Indonesian government has established various programmes to help the business to flourish. A majority of the villagers are involved in the Sarong *Samarinda* weaving industry (Samsir & Nurwati, 2018). Since there is no existing list of entrepreneurs, this study relied on the purposive sampling technique to recruit the potential respondents. They are eligible to participate if the business they operate is more than three years, and they must be willing to give their consent to participate in the survey.

Three-hundred entrepreneurs who satisfied the identified criteria were contacted through the telephone. Information about the study was explained, and an assurance of confidentiality and voluntariness were given during the telephone conversation. Upon obtaining their consent

to participate, the self-administered questionnaires were personally distributed. The completed questionnaires were collected after two days. Of the 300 questionnaires distributed, only 207 were retrieved, providing a response rate of 69 per cent. Table 1 depicts the respondents' profiles.

Data were analysed and results show that a majority of the 207 samples or 95.65 per cent are females. This is not surprising since the weaving activity is synonymous with females who treat this entrepreneurial activity as a "part-time" job. From the socio-economic perspective, the role of females as a contributor towards the family economy has increased in society (Ramadani, Hisrich, Anggadwita, & Alamanda, 2017). Notwithstanding this, the absence of males in this enterprise is due to their cultural values and beliefs. The community believes that the weaving process of Sarong *Samarinda* may lead to impotent problems among the men (Purwadi, 2016). More than half or 63.77 per cent of the entrepreneurs possess senior high degrees, with a very low percentage of 4.83 per cent having a bachelor's degree. This disparity could be due to their perception of the industry as a "home-based industry" or a "cottage industry" which requires no educational qualification. Most of these SMEs have been operating for more than 11 years, raking a monthly revenue of between two million to five million rupiahs. This indicates that

Table 1: Respondents' Characteristics

Respondents' characteristics	Frequency	Percentage
<i>Gender</i>		
Male	198	95.65
Female	9	4.35
<i>Education</i>		
Primary degree	9	4.35
Junior high degree	56	27.05
Senior high degree	132	63.77
Bachelor's degree	10	4.83
<i>Establishment length in years</i>		
3-7	27	13.05
7.1-11	46	22.22
> 11	134	64.73
<i>Revenue (Rupiah) per month</i>		
< 2,000,000	38	18.36
2,000,000-5,000,000	135	65.22
>5,000,000	34	16.42

the industry is a small-scale industry. This information is not surprising since entrepreneurs who are involved in this industry normally work from home, and they also treat this industry as their part-time occupation.

4. Results and Discussion

4.1 Measurement Model

This study performed the structural equation modelling (SEM) by using AMOS to analyse both the measurements and the structural model. Anderson and Gerbing’s approach (1998) was applied where the model was tested in two steps. First, a measurement model incorporating all the constructs were tested for convergent and discriminant validity. This was to validate the psychometric properties of the measurements. Upon validating the measurements, a structural model analysis was performed to test the research framework and the hypotheses developed.

Table 2 indicates the results of the measurement model analysis. The data seem to fit the model well, as the values for $\chi^2 = 112.22$ and $p = 0.172$. The incremental (GFI = 0.938, AGFI = 0.915, TLI = 0.990, CFI

Table 2: Convergent Validity

Indicators	Factor Loadings	Cronbach alpha	AVE	CR
<i>Product innovation</i>				
Level of uniqueness	0.72	0.83	0.83	0.57
Novelty	0.76			
Development of business opportunities	0.76			
Development of product creativity	0.75			
<i>Acculturative product advantages</i>				
Motive acculturative superior	0.69	0.78	0.78	0.59
Pattern acculturative superior	0.73			
Design acculturative superior	0.68			
Attribute acculturative superior	0.64			
<i>Marketing performance</i>				
Degree of expected sales	0.75	0.87	0.86	0.74
Score of sales growth	0.81			
Level of firm market share	0.80			
Overall profitability	0.79			

Note: $\chi^2 = 112.224$, $p = 0.172$, GFI = 0.938, AGFI = 0.915, TLI = 0.990, CFI = 0.992, RMSEA = 0.025, CMIN/DF = 1.082.

= 0.992) and absolute indexes (RMSEA = 0.025) have achieved their cut-off values (Byrne, 2001). In line with Hair, Hult, Ringle and Sarstedt (2016), this study tested the convergent validity by examining the factor loadings, the average variance extracted value (AVE), and the composite reliability (CR). As indicated in Table 2, all the factor loadings are above 0.6. In addition, both the AVE and the composite reliability are above 0.5. These results imply that the measurements satisfied the convergent validity (Hair et al., 2016). Using Fornell and Larcker’s approach (1981), the discriminant validity was examined by comparing the correlation values between the variables, and their square root of AVE. As indicated in Table 3, all the correlation values seemed to be lower than the square root of AVE, indicating that the discriminant validity has been achieved.

Table 3: Discriminant Validity

	INN	APA	MF
Product innovativeness (INN)	0.911		
Acculturative product advantages (APA)	0.148	0.88	
Marketing performance (MF)	0.10	0.18	0.927

Note: Diagonal elements represent the square roots of AVE values.

4.2 Structural Model Analysis

Assuming that all the constructs used are valid and reliable, a structural model was then constructed to test the hypotheses. The structural model was evaluated by investigating the coefficient determination (R^2) square. The results reveal that the model is capable of explaining 62.5% of the variance in the acculturative product advantage, and 67.4% of the variance in marketing performance (Figure 2).

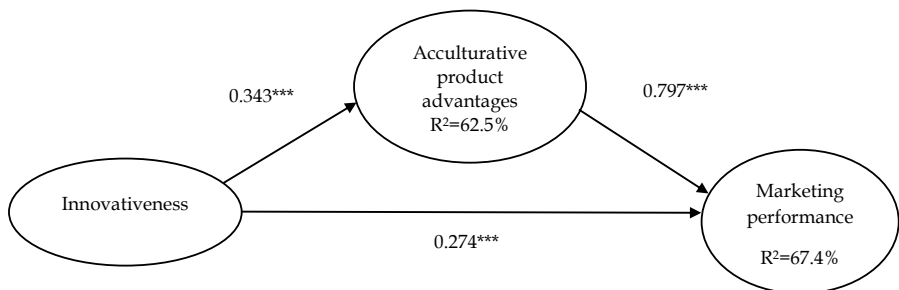


Figure 2: Structural model

As highlighted in Table 4, the effect of innovativeness on marketing performance is significant ($\beta = 0.274$, $t = 2.547$, $p = 0.011$). Therefore, H_1 is supported. This study also demonstrates a substantial evidence on the relationship between innovativeness and acculturative product advantages ($\beta = 0.343$, $t = 4.22$, $p < 0.001$), and acculturative product advantages and marketing performance ($\beta = 0.797$, $t = 5.383$, $p < 0.001$). This, therefore, provides support for H_2 and H_3 . Following the direct effect, the mediating effect using the Sobel test was also performed (Preacher & Hayes, 2004). The Sobel test statistic was obtained with a value of 2.176 at $p = 0.01$. This result suggests that there is another explanation for the high marketing performance of the Sarong *Samarinda* industry, apart from its innovative capabilities. In part, its better marketing performance seems to be determined by its high capacity in generating the advantages of its acculturative products. This finding therefore supports H_4 .

Table 4: Results of Hypotheses Testing

Hypothesis	Path	β	t-value	p-value	Result
H_1	Acculturative product advantages \rightarrow Marketing performance	0.797	5.383	***	Accepted
H_2	Innovativeness \rightarrow Marketing performance	0.274	2.547	0.011	Accepted
H_3	Innovativeness \rightarrow Acculturative product advantages	0.343	4.220	***	Accepted

4.3 Discussion

This study has investigated the relationship between innovativeness, acculturative product advantages and marketing performance. The outcomes derived from this study demonstrate that the innovativeness of the entrepreneurs serves as a crucial factor which increases the value of the acculturative products. The impact of its innovativeness on the marketing performance is also found to be substantial. The results also show the acculturative product is advantageous for the entrepreneurs to gain higher marketing performance. The advantage of the acculturative product act as a mediator in this study. It could be a reason for

local entrepreneurs of Sarong *Samarinda* to enhance their marketing performance. In other words, the entrepreneur could use the unique characteristics of their local cultures which is the sarong as a marketing distinction to sell this acculturative product.

In this study, innovativeness is found to have a significant effect on marketing performance in the context of an acculturative product, specifically Sarong *Samarinda*. This finding is found to be in line with previous studies (Abril & Martos-Partal, 2013; Billore & Billore, 2019). The innovation capability of the entrepreneurs has been noticed mostly in their ability to offer new designs, motives and materials that will create positive customer engagement. Despite this situation, this study also provides evidence on the importance of coupling the innovative capabilities with the ability to maintain product value and uniqueness. Being a creative industry, the entrepreneurs of Sarong *Samarinda* may not be able to highly improve the marketing performance by emphasising on exploring new technologies to drive efficient production as they have to maintain the uniqueness and novelty of the product. Rather, most of the industry players may use their innovativeness on product development by finding ways to increase the product quality and attractiveness. They have to be careful with product innovation, as they need to ensure that the new products produced still maintain the uniqueness of Sarong *Samarinda* which represent the local culture.

The empirical evidence of the study has shown the advantage of the acculturative product of Sarong *Samarinda* especially its uniqueness when categorise through the isolative mechanism. This study has shown the significant relationship between the advantages of the acculturative product and its marketing performance. The outcome has been endorsed by Sugiyarti et al. (2018). Nonetheless, the result is not surprising given that as an acculturative product, Sarong *Samarinda* has its own uniqueness, thereby providing superiority against other competing products. While the sarong industry maybe flooded by digitally printed Sarong *Samarinda* which are cheaper, the originality of Sarong *Samarinda* that is traditionally woven offers a distinctive quality attribute. In this respect, Sarong *Samarinda* offers entrepreneurs a competitive barrier. Moreover, since the industry is a know-how industry, the acculturative product produced by the weavers could not be easily imitated. The use of the *gendogan*, the non-technology woven tool, for this acculturative product also plays a role in supporting the uniqueness of the Sarong *Samarinda* (Purwadi, 2016).

5. Conclusion and Implication

Underpinned by the resource-based view theory, this study has developed a research model which incorporates three isolating mechanism, represented by the acculturative product advantages as a mediator that will influence the interactions between innovativeness and marketing performance. The findings obtained from this study should contribute to the body of literature in several ways. First, this study expands on the literature in the context of Sarong *Samarinda*. Being a cultural heritage of East Kalimantan, this product is embedded by strong skills, talent, and knowledge, and the industry appears to potentially contribute to the high economic wellbeing and wealth creation of the local residents. Being an acculturative product, Sarong *Samarinda* is a local production which has the potential to promote the villages located in Samarinda Seberang, East Kalimantan as tourist centre and hence enhance the national tourism sector. Second, this study provides empirical support showing the importance of the isolating mechanism as a tool in creating a competitive barrier for the industry, thereby preventing competitors from entering the market. In this regard, it would seem practical for Indonesia, as a developing country, to make attempts to integrate the concept of acculturative product as one of the country's source of income. Third, there is evidence drawn from this study to show that the entrepreneurs may gain higher marketing performance from their innovative capabilities when they also have the ability to produce a distinctive product. In fact, in a creative industry, such as Sarong *Samarinda*, the key factor in securing its marketing performance is by positioning its uniqueness as an acculturative product.

The findings of this study have implications for practitioners. An entrepreneur involved in the creative industry such as Sarong *Samarinda* must be able to innovate by always displaying the uniqueness of the product itself. Rather than developing new designs and motives which may not represent the culture of *Wajo-Bugis*, *Kutai* and *Dayak*, the entrepreneurs should consider looking at how their current motives can be woven to make different types of products instead of only focussing on the sarong. Through this, they can maintain the uniqueness of their cultures. Although the *gendogan* may take a longer production time, the entrepreneurs should not consider using machines to hasten their Sarong *Samarinda* as an acculturative product. The use of modern machines and technologies tend to reduce the value of the product. Instead, practitioners should persevere with producing the Sarong

Samarinda as a handmade product. Although Sarong *Samarinda* is being used mainly by the local people, the product should be widely promoted to tourists, for it to be considered as one of the cultural tourism products, since it promotes the assimilation of Indonesia's multi-ethnic tribes.

While the current study has provided some useful insights into the role of the acculturative product as an isolating mechanism in the context of Sarong *Samarinda*, there are some limitations that need to be addressed. The first of these is the generalisability of the results which has focused on Samarinda city only. The second limitation is that the survey was confined to only a few variables. Thus, it would be interesting for future research to incorporate more variables that are related to the Sarong *Samarinda* industry.

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