

# **PRODUCT DEVELOPMENT TO INCREASE CONSUMER BUYING INTEREST BASED ON CONSUMER REFERENCES (Batik Industry Center Masaran Sragen)**

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## **ABSTRACT**

Product development research, aims to identify and analyze the attributes of batik fabric products developed and expected consumer desires based on marketing mix. The results of the research as input for product development for batik MSMEs, development of the attributes of batik fabric products of interest to consumers. The research used an exploratory method through a sample of 100 consumers who had purchased batik fabric products at the Masaran Sragen batik MSMEs. Data collection methods are through questionnaires, interviews to respondents and surveys, interviews, direct observation with MSMEs. Data analysis uses conjoint and Structural Equation Modeling (SEM) analysis. Based on the analysis that batik fabric products are in demand by consumers characterized by: (1) product variables: (a) fabric material made of cotton fabric; (b) features modern-traditional combination motifs; (c) fabric size 110 cm x 240 cm; (d) combination batik, written and stamped; (2) price variables: (a) selling price between Rp. 150,000, - to Rp. 200. 000 per piece; (b) cash payment system; (c) giving discounts when purchasing; (3) promotion variables: (a) advertisements on social media/internet, marketing personnel and signboards; (b) sold in stores/boutiques and online shops; (c) actively participating in events; (4) distribution variables; (a) sold in stores in all districts/cities in Indonesia; (b) timely delivery; (c) sales through stores and online.

**Keywords:** development, product, batik, interest, purchasing, consumers.

## **INTRODUCTION**

The existence of Indonesian batik is a historical fact that proves the existence of batik until now. Batik has been passed down and preserved from generation to generation, which is accepted by the people of the Indonesian homeland. Batik is also a representative form of a solid foundation for the existence of the nation's cultural heritage, so batik deserves to be recognized as Indonesia's cultural heritage by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 2009 (Adcharina, 2020), (Suranto, 2023).

The development of batik patterns and motifs is increasingly diverse, adapted to the local wisdom of the local area, this is a wealth of archipelago batik as a reflection of the identity of the Indonesian people. Batik is produced from Sabang to Merauke, from Aceh to Papua. It can be proven by the existence of Aceh batik with motifs: rencong, Aceh and gayo doors, to weaving in Papua. The motifs and variety as the diversity of regional cultures have reflected their distinctiveness, for example: Jambi, Java, Kalimantan, Sulawesi, and Papua weaving (Kina, 2013).

Utilizing the potential of batik business opportunities requires pro-active steps from the government, business actors and batik lovers, especially in the millennium era which is much different from the previous era, the production of written, stamped or woven batik cannot fully rely on conventional old experience in product development. Based on the field research, the problems encountered by batik entrepreneurs in Masaran Batik Industry Center are: (a) low consumer buying interest, (b) low market access, (c) low production quality, (d) weak utilization of social media networks, (e) less contemporary batik designs or motifs (Novitasari, 2017), (Adcharina, 2019), (Daryono & Wahyudi, 2008)..

Researchers conducted direct observations and interviews with batik entrepreneurs and consumers to explore problems and solutions on how to increase sales of batik fabric products. Problems in the field of technology, human resources, raw materials and capital (finance) are not a crucial problem, but marketing problems are the priority that must be resolved by batik entrepreneurs in Masaran. Therefore, a synergistic role of batik entrepreneurs, cooperatives and policy makers in the local area is needed. The first solution is through the development of products produced in accordance with consumer desires, the second solution is a digital-based marketing strategy, the third solution is through improving the quality of human resources.

Through this research, activities are focused on the development of products produced and product development assistance activities. The products produced are expected to be in accordance with the wishes of the market (consumers), as the main users of batik fabric products. Through the results of this research, it is hoped that it will provide strength to batik MSMEs so that: (1) have awareness, confidence in running their business; (2) be able to solve problems, and be creative in small businesses; (3) be able to cooperate and build relationship in their social business

environment; and (4) be able to access resources, information, opportunities, knowledge and skills for future business continuity (Syahyuti, 2006).

Regarding to the functional strategy, empowerment for batik entrepreneurs in Masaran Sragen can be carried out with an economic functional approach, such as the marketing mix of batik products. A management functional strategy that can be carried out by providing an improvement in managerial skills (managing organizations/businesses) for batik entrepreneurs and a strategic issue strategy that can be carried out through understanding batik entrepreneurs about market conditions and needs. Based on the functional strategy approach, the empowerment of batik entrepreneurs can be shown by the ability to access the market widely. With the right marketing mix strategy (product, price, promotion, place), small businesses will be more competitive in the market. The marketing mix can be optimal if batik entrepreneurs have the awareness to organize so that they can go through a wider marketing area. Going through the market collectively is relatively easier than the single fighter pattern. For small businesses, effectiveness and efficiency are something that cannot be forced but can only be stimulated. Efficiency in the production and marketing process is the result of continuous development efforts (Ismawan, 2001), (Adcharina, 2016), (Arfan, 2008), (Setiawati, 2015).

Price, promotion and product quality variables simultaneously affect buying interest (Satria, 2017), (Silaningsih, 2018), (Nainggolan, 2018). Price affects buying interest (Meilani, 2012). Distribution and promotion variables affect buying interest. Showing that marketing mix variables (product, price, promotion, and distribution) affect consumer buying interest is necessary: (1) an identification of what kind of product attributes, expected by consumers, (2) formulate the marketing mix relationship to consumer buying interest, so that product sales increase.

## **RESEARCH METHODOLOGY**

### **1. Research Paradigm**

The research paradigm uses observational analytic, which is quantitative research to understand the relationship model between one variable and another (Creswell, 2012). Quantitative studies are conducted to examine the marketing mix to increase sales or consumer buying interest.

Quantitative studies use conjoint analysis to understand how respondents develop their desire or interest in a product (batik), and use SEM analysis to analyze the relationship model between marketing mix factors (product, price, promotion, and distribution/place) with batik consumer buying interest.

## **2. Research Design**

The research design is observational analytic using mixed methods, which combines quantitative and qualitative methods. Quantitative methods are the main research, while qualitative methods are supporting (Creswell, 2012).

Quantitative studies are conducted to examine the relationship among variables. Researchers look for, explain a relationship, estimate and test based on existing theory (Creswell, 2012). Researchers examine the relationship among marketing mix variables (product, price, promotion, distribution) and purchase intention variables.

## **3. Population**

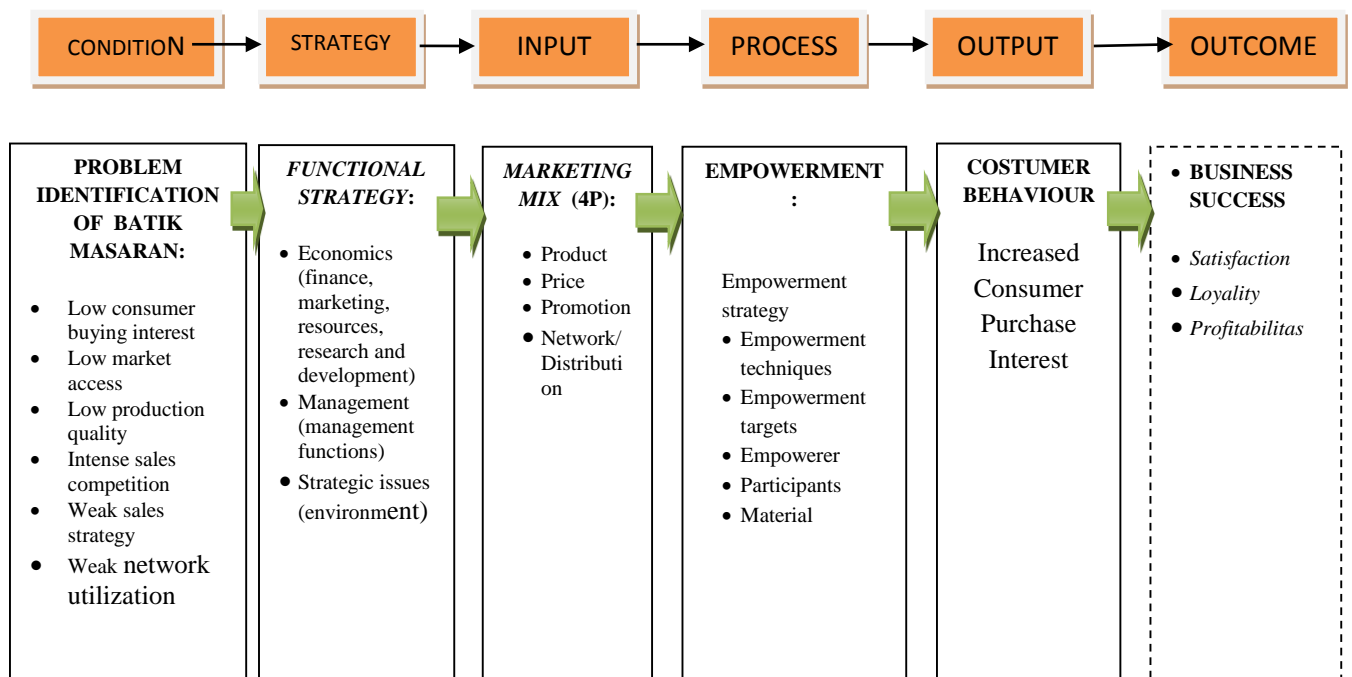
The population in this research were consumers (buyers) of batik Masaran Sragen. Respondents who participated in the sample were selected as many as 100 consumers who bought batik fabric products in Masaran Sragen. Anyone (Masaran batik buyer) meets the researcher can be used as a research respondent (Ferdinand, 2000).

## **4. Sample**

The sample in this research were a number of Masaran Sragen batik buyers. In this research, the sample size was 100 consumers who bought Masaran batik. Based on the central limit theorem, it is said that a large sample will follow a normal distribution, even though the population from which the sample is obtained is not normally distributed (Widarjono, 2015), (Ghozali, 2011), (Santoso, 2011) and added that for SEM models with up to five latent variables (constructs), and each construct is explained by three or more indicators, a sample size of 100-150 data is considered adequate.

## **5. Data collection technique**

Data collection techniques in this research were carried out using: (1) questionnaire, (2) observation, (3) documentation (literature research). The concept of thinking according to Figure-1.



## 6. Data Analysis Technique

Data analysis techniques used in this research: (1) descriptive analysis through a questionnaire to explore the source of respondents, (2) analysis of the validity and reliability of the questionnaire, (3) Conjoint Analysis, through a questionnaire to explore consumer interest (preference) in Masaran batik attributes, (4) SEM analysis, through a questionnaire to find out the relationship between marketing mix variables and consumer buying interest in batik products.

## RESEARCH RESULT

### 1. Recapitulation of Batik Attributes Favored by Consumers

Based on the results of Conjoint analysis, a recapitulation of the results of 100 respondents is shown in Table-1.

Table -1 Sragen's Consumer Favorites

No	Dimension	Criteria	%
1	Fabric type	Cotton fabric (dolby/primis)	76%
2	Motif	Combination modern-traditional	82,5%
3	Specification	110cm X 240 cm	81%
4	Model	Combination (stamp and hand-written)	85,5%

Source: (processed data, 2023)

Table-1, Assesses the known attributes of consumer buying interest: (a) fabric material made of cotton fabric; (b) features modern-traditional combination motifs; (c) fabric size 110 cm x 240 cm; (d) combination batik, written and stamped.

Tabel -2. Recapitulation of Price Attributes of Batik Masaran Sragen that are Favored by Consumers

No	Dimension	Criteria	%
1	Price list	Between Rp. 150.000- s/d Rp. 200.000 per piece	85,5%
2	Payment term	Cash payment system	93%
3	Discount	Given above 1 million rupiahs or promotion	90%

Source: (processed data, 2023)

Meanwhile, table-2, regarding prices, that in terms of price attributes, Masaran Sragen batik has the following criteria: (1) prices between Rp. 150,000, - to Rp. 200,000, - per piece; (2) cash payment system; (3) discounts are given every time during events and during promos.

Table -3. Recapitulation of Promotional Attributes of Batik Masaran Sragen that are Favored by Consumers

No	Dimension	Criteria	%
1	Advertisement	Social media social, internet, and make signboard	93%
2	Personal selling	Sold in stores/shops, and use marketing	82%
3	Purchasing promo	Participate in events	94%

Source: (processed data, 2023)

For table-3, regarding to promotion, that from the promotion attribute, Masaran Sragen batik entrepreneurs must carry out activities: (1) make advertisements on social media/ internet, and also make signboards; (2) sold in stores/shops and also use marketing personnel; (3) actively participate in events.

Table 4. Recapitulation of Distribution Attributes of Batik Masaran Sragen that are Favored by Consumers

No	Dimension	Criteria	%
1	Location	Available in all districts/cities in Indonesia	61,3%
2	On-time delivery	On time	91,5%
3	Searching speed	Social media, internet or online	94,5%

Source: (processed data, 2023)

Fourth, based on table-4, seen from the distribution attribute, Masaran Sragen batik MSMEs must strive for: (a) sold in stores in all districts/cities in Indonesia; (b) timely delivery; (c) sales through stores and online.

## 2. Significance of Causality Relationship among Variables

After the analysis, the relationship model is declared quite feasible, based on table-5. Furthermore, to determine whether the causality relationship between latent variables is significant or not, it can be seen from the CR value or based on the p-value as shown in table-5.

Table -5 Value CR dan p-Value Causality Relationship among Variables Model Fit

Scalar Estimates (Group number 1 - Default model), Maximum Likelihood Estimates, Regression Weights: (Group number 1 - Default model)				Estimate	S.E.	C.R.	P	Label
PROMOTION	<---	PRODUCT		,546	,079	7,001	***	par_27
PRICE	<---	PRODUCT		,697	,076	9,016	***	par_26
DISTRIBUTION	<---	PROMOTION		,563	,089	4,871	***	par_45
INTEREST	<---	PRODUCT		,573	,097	5,000	***	par_1
INTEREST	<---	PRICE		,340	,107	2,248	,025	par_2
INTEREST	<---	DISTRIBUTION		,531	,088	4,880	***	par_3

Standardized Regression Weights: (Group number 1 - Default model)				Estimate
PROMOTION	<---	PRODUCT		,546
PRICE	<---	PRODUCT		,697
DISTRIBUTION	<---	PROMOTION		,563
INTEREST	<---	PRODUCT		,573
INTEREST	<---	PRICE		,340
INTEREST	<---	DISTRIBUTION		,531

Source: Analysis result SEM 22.0

In table-5, the significance of the causal relationship among latent variables can be explained, namely:

- The product variable has a significant effect on the promotion variable with a path coefficient of 0.546, a CR value (7.001) > the critical Z (1.96) and a significance level of 0.000 < 0.05.
- The product variable has a significant effect on the price variable with a path coefficient of 0.697, a CR value (9.016) > the critical Z (1.96) and a significance level of 0.000 < 0.05.

- c) The promotion variable has a significant effect on the distribution variable with a path coefficient of 0.563, a CR value (4.871) > Z critical (1.96) and a significance level of 0.000 < 0.05.
- d) The product variable has a significant effect on the consumer purchase intention variable with a path coefficient of 0.573, a CR value (5.000) > Z critical (1.96) and a significance level of 0.000 < 0.05.
- e) The price variable has a significant effect on the consumer purchase intention variable with a path coefficient of 0.340, a CR value (2.248) > the critical Z (1.96) and a significance level of 0.025 < 0.05.
- f) The distribution variable has a significant effect on the consumer purchase intention variable with a path coefficient of 0.531, a CR value (4.880) > Z critical (1.96) and a significance level of 0.000 < 0.05.

## **DISCUSSION**

Based on the results of the analysis of the relationship between marketing mix variables and consumer buying interest that has been presented in Table-5, the product development model through consumer and marketing mix approaches, goodness of fit and can be done as follows.

### **a. Development strategy**

Product development strategies for batik entrepreneurs in order to increase sales and influence consumer buying interest can be done with a functional strategy. This strategy includes three types of strategies, namely: (1) Economic functional strategy, which includes functions that allow the organization to live as a healthy economic unit, including those related to finance, marketing, resources, research and product development; (2) Management functional strategy, including the functions of planning, organizing, implementing, controlling, staffing, leading, motivating, communicating, decision making, representing and integrating; (3) Strategic issue strategy, whose main function is to control the environment, both known environmental situations and unknown or ever-changing situations.

Entrepreneur assistance is demonstrated by the ability to build competitiveness by raising awareness of small entrepreneurs of quality, service, environment, organization, harmony, cooperation, honesty, and other things that affect product marketing with a wider market reach. The process of changing the frame of mind, from



an inward orientation to an outward orientation, so that small business groups can accurately anticipate changes in the business climate, especially changes in competition patterns (Ismawan, 2001).

Product development is indicated by the ability to access the market widely. Through the right marketing mix strategy, small businesses will be more competitive in the market. Marketing mix can be optimal if small businesses have the awareness to organize so that they can penetrate a wider marketing area. Because usually penetrating the market collectively is relatively easier than the single fighter pattern (fighting individually).

### **1. Product**

Product development in terms of product attributes, which are related to the above criteria, Masaran Sragen batik entrepreneurs must pay attention and be able to realize these consumer desires, if their business wants to be efficient and competitive with other batik production. Therefore, an entrepreneur is required to always be creative, dynamic, and broad-minded in creating and developing a product. Based on an interview with Mrs. Sutarto, Entrepreneur Batik Masaran Sragen, it is said that:

*"Most of the Masaran batik products, in terms of quality, are quite good. Especially products produced by entrepreneurs who have been long, experienced and classified as established entrepreneurs. However, for small and not yet established entrepreneurs, the quality of their products is sometimes still not good. Product development that has been running, mostly more to improve the quality of the appearance of product patterns, and for others it is still lacking" ( Interview, July 1, 2023).*

### **2. Promotion**

Product development through a promotional approach, that through promotional activities will be able to attract the attention of consumers to buy products, and be able to provide a strong buyer response and boost sales in the short term. Promotion plays a role in producing good information delivery to consumers about the benefits or advantages of a product, so that it can influence the minds of consumers and will generate interest in buying the product.

Based on an interview with Mr. Rofiq, a batik entrepreneur from Masaran Sragen, he said that: *"sales of our products are still not smooth, we don't have marketing personnel, we haven't installed a signboard, and we don't use social media*

*for promotion"* (Interview, July 1, 2023). Then based on an interview with Mr. Agus Subandri, a batik entrepreneur in Pilang Masaran Sragen said that: *"Our batik sales are only mediocre and still not much. We have not used social media to sell batik"* (Interview, July 2, 2023).

### **3. Price**

Product development based on a price approach, that if the price of batik fabric is too expensive, the product concerned will not be affordable by the local market, so the medium target of around Rp.150,000-200,000 is expected to be targeted and consumer buying interest tends to increase in these products because in buying a product consumers not only consider its quality, but also think about the feasibility of price.

Based on an interview with Mrs. Kristanti, a batik entrepreneur in Pilang Masaran Sragen, and Mrs Siti, a consumer batik Pilang said that: "Our batik is sold at a price between IDR 150,000 to IDR 200,000 per meter. The price depends on the motif, material and size of the fabric" (Interview, July 3, 2023).

### **4. Distribution**

Based on an interview with Mr. Rofiq, a batik entrepreneur in Masaran Sragen said that: *"we only sell batik at home, and do not have a shop or showroom"* (Interview, July 1, 2023). Then based on an interview with Mr. Rofik, a batik entrepreneur in Pilang Masaran Sragen said that: *"we sell batik only at home, and do not have a shop"* (Interview, July 2, 2023).

## **b. The Target of product development**

Product development targets for Masaran Sragen batik entrepreneurs can be grouped into two, namely personal and institutional.

### **1. Personal Empowerment**

Personal product development is aimed at improving the skills of each batik entrepreneur, which aims to develop the potential possessed by batik entrepreneurs in Masaran Sragen. This personal product development is carried out to improve the knowledge, skills, attitudes, self-awareness of batik entrepreneurs. Based on an

interview with Mr. Agus Subandri, the representative entrepreneur batik Pilang, said that:

*"Actually, there have been several parties who have tried to provide training programs, both from the government and the private sector. For example, the Industry Agency once provided an opportunity for Masaran batik makers to learn batik in Imogiri Yogyakarta". (Interview, July 2, 2023).*

## **2. Institutional Product Development**

Institutional product development is aimed at increasing the institutional capacity of the batik community or the organization that houses batik entrepreneurs in Masaran Sragen. This institutional product development needs to be done, because there are problems encountered by batik entrepreneurs that require collective solutions (together) and cannot be solved personally (individually).

Problems that need to be solved together include: (1) Demand for large party batik products from business partners that batik entrepreneurs cannot do alone; (2) Implementation of promotions that are able to improve the image of Masaran batik and a wide marketing network that cannot only be done individually; (3) Determination of the standard selling price of batik that can avoid problems of unfair competition that can harm batik entrepreneurs in the vicinity; (4) Provision of a batik distribution center that is able to accommodate the various batik productions of Masaran Sragen batik entrepreneur. Product development model that can be done for batik entrepreneurs based on market-oriented marketing that can increase consumer buying interest.

## **CONCLUSION**

1. Masaran batik products are concluded that they have good batik quality, low prices (affordable), sufficient promotion (needs improvement), wide enough distribution (needs improvement).
2. Marketing mix as a sales approach has a relationship with consumer buying interest and product development is expected to be in accordance with consumer desires.
3. Batik fabric products are in demand by consumers characterized by: (1) product variables: (a) fabric material made of cotton fabric; (b) features modern-traditional combination motifs; (c) fabric size 110 cm x 240 cm; (d) combination batik, written

and stamped; (2) price variables: (a) selling price between Rp. 150,000, - to Rp. 200. 000 per piece; (b) cash payment system; (c) giving discounts when purchasing; (3) promotion variables: (a) advertisements on social media/internet, marketing personnel and signboards; (b) sold in stores/boutiques and online shops; (c) actively participating in events; (4) distribution variables; (a) sold in stores in all districts/cities in Indonesia; (b) timely delivery; (c) sales through stores and online

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