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A marketing strategy to increase product sales of batik at micro and small enterprises

Abstract. This article aims to identify the practice of *Gotong Royong* (mutual corporation culture; mutual help) marketing on batik products in Kampung Batik Laweyan. This study uses a quantitative descriptive method. The qualitative process is carried out with an exploratory study design. Data was collected by interviewing and observing batik entrepreneurs in Kampung Batik Laweyan (batik village of Solo, Central Java, Indonesia) to increase sales of batik products. Hypothesis testing uses a quantitative approach. Data collection was carried out by distributing questionnaires to 25 batik entrepreneurs in Kampung Batik Laweyan. This study found that batik entrepreneurs promoting *Gotong Royong* marketing carried out by good Laweyan Batik Village entrepreneurs were: building joint outlets, using the Laweyan Batik Village Website, conducting collective exhibitions, and collaborating between Batik Clusters in the city of Solo. The results show that the *Gotong Royong* marketing strategy can increase the profit of the batik business in Batik Laweyan village. The marketing strategy of cooperation to develop products in the Micro and Small Enterprise (MSEs) cluster is essential. The study results are expected to provide an overview and insight into knowledge about the culture of local wisdom in making business decisions. The *Gotong Royong* marketing strategy that is carried out can reduce the conventional marketing methods carried out individually by batik entrepreneurs.

Keywords: Batik; Gotong Royong; Mutual Cooperation; Marketing Strategy; Micro and Small Enterprise; MSE
JEL Classification: D04; D24; D47

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1. Introduction and Brief Literature Review

Marketing strategy is an essential element in achieving business goals (Hong & Nguyen, 2020). A marketing strategy is formulated from various analyses of the best market opportunities to increase product sales (Ngo-Thi-Ngoc & Nguyen-Viet, 2021). The marketing process requires experience in persuading customers to buy products so that humans more effectively do the marketing process because it involves the heart and emotions (Ullal et al., 2020). Western marketing concepts, such as a marketing mix consisting of 4Ps (price, product, promotion, and place), can help the marketing process of a business (Jević et al., 2020). However, the western concept is not always suitable for implementation in small and medium-sized micro markets (Lukiyanto & Wijayaningtyas, 2020). Therefore, experts develop various marketing concepts that are extracted from the culture and local wisdom of communities. Local wisdom contains values and culture about how people live their daily lives (Syakur & Khoiroh, 2021). Local wisdom can be used as a basis for decision making to address problems in various fields, such as education, tourism, art, and social life of the community (Levyda et al., 2021).

Asian people have a culture of helping each other in solving business difficulties. One of Indonesia's famous mutual corporation culture is *Gotong Royong* (Lukiyanto & Wijayaningtyas, 2020). The main principle of the *Gotong Royong* concept is the culture of sharing. *Gotong Royong* is a community work culture that can improve Micro and Small Enterprise (MSEs) performance, including business strategy formulation (Lukiyanto et al., 2018). Micro and Small Enterprise are entrepreneurs who move together or in a community with relatively small business capital. Nevertheless, this business cluster contributes significantly to increasing job opportunities and gross domestic product (Kassa, 2021). Micro and Small Enterprise clusters can adapt agilely and quickly to external changes and respond flexibly to crises (Cowling et al., 2020). However, MSEs business owners generally have various limitations, such as the mastery of information technology, and limitations in marketing skill (Lukiyanto & Wijayaningtyas, 2020). Therefore, the *Gotong Royong* marketing strategy is applicable as a marketing strategy for MSEs.

Batik is an Indonesian cultural heritage widely produced by people throughout Indonesia (Oginawati et al., 2021). Solo is one of the cities in Yogyakarta that is famous as a producer of batik. Solo is also a batik shopping tourist spot those domestic tourists and foreign tourist often visit. However, a common problem that MSEs always faces in Indonesia is the marketing process, especially marketing technology innovations following the micro-scale batik industry and small enterprise characteristics (van der Merwe et al., 2020).

The concept of batik marketing can be explored using the culture and local wisdom of the community, namely cooperation. MSEs are the most influential business group in emerging markets, and a collaborative marketing strategy is needed to develop products in the MSEs cluster to be very important. The *Gotong Royong* marketing strategy is formulated to increase business profits for batik entrepreneurs. Although some experts have offered the concept of *Gotong Royong* to develop marketing strategies, research exploring the understanding of the concept of *Gotong Royong* in MSEs is still limited. The fact that MSEs is the largest business cluster in the growing market (Kassa, 2021). Therefore, the *Gotong Royong* marketing strategy to develop products in micro and small enterprise clusters is essential. This article aims to identify the practice of *Gotong Royong* marketing on batik products in Kampung Batik Laweyan.

2. Research Methods

This study uses a quantitative descriptive method. This study involved 25 batik entrepreneurs in the Laweyan batik village of Solo, Central Java, Indonesia. The concept of *Gotong Royong* marketing consists of six indicators, namely Shared Outlet, Website for Kampung Batik Laweyan Solo, Joint Exhibition, Shared Brand (One Brand), Procurement of Shared Materials, and Inter-Cluster Batik Corporation. Data were collected using a mixed-method technique collected through questionnaires and in-depth interviews. The distributed questionnaire data has two answers: yes (score = 1) and no (score 0). The data was analyzed using the Miles and Huberman models, namely data reduction, tabulation, data presentation and concluding.

This research consists of three stages; the first stage is data search, the second stage is data processing and presentation. The last stage in the research is the Cochran test to analyze each concept of *Gotong Royong* marketing. Based on the concept of *Gotong Royong* marketing, two research hypotheses were obtained, namely:

H0: Each of the tested cooperation marketing concepts has the same proportion of YES answers.

H1: Each of the tested *Gotong Royong* marketing concepts has a different proportion of YES answers.

The assessment of the hypothesis is based on the provisions. If $T \text{ count} > T \text{ table}$, then H_0 is rejected, meaning that the proportion of YES answers is still different in all the marketing concepts of *Gotong Royong*. If $T \text{ count} < T \text{ table}$, then H_0 is accepted, meaning the proportion of Yes answers on all indicators is considered the same. Thus, all respondents are considered to agree with all the marketing concepts of *Gotong Royong* as a considered concept.

3. Results Dan Discussion

3.1. Batik business profile

The batik business profile consists the types of batik businesses carried out by batik entrepreneurs in Laweyan Solo. Batik business profile can be seen in Table 1.

Table 1 shows that the sample in this study is divided into five groups of Industries. The first group consists of 10 (ten) batik industries whose activities start from production to batik sale in showrooms. The second group consists of 5 (five) Batik Industry which only conducts batik production process activities. Group three is 2 (two) Batik Industry with convection services. Group four is 7 (seven) Batik Industry from convection services to batik sales in showrooms, and the fifth group is 1 (one) batik traders / Showroom in the Batik Village Area Laweyan Solo. The marketing method previously carried out by the 25 MSEs batik entrepreneurs is to conduct exhibitions, customer networks, consignments, direct sales or showrooms, door to door, and product samples.

Table 1:
Profile of Batik Business in Kampung Batik Laweyan

No	Types of Batik Business	Amount
1	Batik Process Industry and Showroom	10
2	Batik Process Industry	5
3	Convection Batik Industry	2
4	Convection Batik Industry and Showroom	7
5	Showroom and Trader Batik	1
	Total	25

Source: Compiled by the authors

3.2. Gotong Royong Marketing Concept

The concept of *Gotong Royong* in marketing batik in Kampung Abtik Laweyan has various indicators such as joint outlets, marketing with websites, joint exhibitions, and the same brand. A shared outlet intends to use joint outlets for the entire Batik Industry located in Kampung Batik Laweyan. In this place can be sold all batik brands in Kampung Batik Laweyan but with one management. Kampung Batik Laweyan already has a website, but the business listing is only a few and is dominated by large companies. Based on this website, MSEs of batik owners can optimize the website utilization to market their products. A joint exhibition is a promotional strategy by holding exhibitions together for the entire Batik Industry in Kampung Batik Laweyan. The brand is something that is attached to the product offered and is part of the packaging. The brand describes who made the product, where the product was made when the product was made, how to use the product, composition, ingredients, and other information. So, the purpose of joint brand or using one brand has the intention that the Batik Industry located in the Kampung Laweyan area can use one name brand that is mutually agreed to be used as a brand together (namely with the brand of *Kampung Batik Laweyan Solo*).

Procurement of materials is an activity to meet or meet the demand for resources, including the supply of raw materials, goods in the process, auxiliary or complementary materials, and other components that are part of the company's product output. The linkage of the procurement of these materials with marketing is that if the procurement of materials and other components can be pursued simultaneously among MSEs of Batik, it will be more effective and efficient because the purchase of materials in large quantities will be lower material price (Nawi et al., 2019).

In addition, the availability of raw materials can control properly, i.e., materials are available on time, in the correct quantity, and at the right time. If this material control can be done, it will minimize the total cost, which ultimately affects the determination of the price of lower products and can be one of competitive advantage. Supply chains are a significant concern for MSEs entrepreneurs, mainly when external changes occur so that the production process and the quality of their products are not disrupted (Cowling et al., 2020).

3.3. Inter-Cluster Batik Corporation

Marketing is the process of meeting the community's needs for a product or service, and marketing can also be done for market competition. In addition, marketing activities are conducted to gain the hearts of consumers and maintain existing products to remain in business existence. The marketing cooperation between Batik clusters is aimed to carry out marketing activities from each batik cluster in Solo city, consisting of Laweyan batik cluster, Kauman Batik cluster, and Batik Sondakan cluster. The results of the six indicators of *Gotong Royong* marketing can be seen in Table 2.

Table 2 shows the respondents' answers to the six different indicators of the concept of *Gotong Royong* marketing. The results of respondents' answers based on the six indicators were analyzed three times. The results show that the first analysis shows the value of T Count (30) > from the T-Table (11.070) so that the second test is continued to obtain a common opinion of respondents about cooperation marketing. The second analysis shows the value of T Count (9.71) > from T-Table (9.448) so that the third test is continued to obtain the common opinion of respondents about cooperation marketing. The third analysis shows the value of T Count (3) < from T-Table (7.815), which means that four of the six cooperation marketing concepts have the same probability of getting a YES answer from the respondents. Therefore, the four marketing concepts are considered valid as the marketing concept of *Gotong Royong* in the development of Batik products in Kampung Batik Laweyan. The marketing concept of *Gotong Royong* is a joint outlet, the Kampung Batik Laweyan Solo Website, Joint Exhibition, and Inter-Cluster Batik Corporations between Batik MSEs in the village of Solo.

Table 2:
Gotong Royong Marketing Matrix

No	Gotong Royong Marketing Concept	Answer		Total
		Yes	No	
1	Shared Outlet	25	-	25
2	Website for Kampung Batik Laweyan Solo village	25	-	25
3	Joint Exhibition	25	-	25
4	Shared Brand (One Brand)	17	8	25
5	Procurement of Shared Materials	22	3	25
6	Inter-Cluster Batik Corporation	24	1	25

Source: Compiled by the authors

In other words, each MSEs business located in the Cluster kampung Batik Laweyan Solo has a common opinion that the four marketing concepts of *Gotong Royong* can be used as a strategy for the development of Batik products in Kampung Batik Laweyan. So that MSEs businesses can grow together. While the use of one brand and the procurement of Batik ingredients together does not get the word agreed. It implies that the four marketing models *Gotong Royong*, have a significant correlation. It is also meaning that each marketing model of *Gotong Royong* interrelated but provides different results or contributions in developing Batik product marketing in the MSEs of Batik in the Kampung Batik Laweyan area. Joint outlets for the Batik Industry in Kampung Batik Laweyan can minimize unhealthy competition between Batik businesses. So that the business can be managed better because it is handled by one management. The management is responsible for developing all brands that are incorporated in the outlet. The outlet has displayed all brands from Batik business in Kampung Batik Laweyan. Joint outlet shows batik entrepreneurs' efforts to build inter-community relationships (Farida & Nuryakin, 2021).

Inter-community relationship building is essential in increasing competitive advantage (Soewarno et al., 2020), especially increasing the chances of getting opportunities and access to various resources. Kampung Batik Laweyan has a website, but its utilization is still not optimal (Malesev & Cherry, 2021). Only a few industries use the website for broader marketing (Komariah et al., 2020). Based on the interview results, some of the MSEs of Batik businesses

do not understand how to operate the website. The exhibition activity was conducted domestically and abroad involving all Batik business brands in Kampung Batik Laweyan. This activity can also respond to the momentum of increased batik exports to foreign countries (Dunska & Zhaldak, 2021; Martuti et al., 2020).

In the concept of marketing *Gotong Royong*, shared brand (one brand), and MSEs Batik Laweyan community members disagree on procurement of shared materials. Informants argue that brands are the hallmark of every owner (Pardede et al., 2019). Therefore, they have their own standards and uniqueness. Meanwhile, the procurement of shared materials is not agreed upon because every Batik business owner needs different quality and quantity raw materials. So that, it is agreed that the procurement of raw materials and overhead is not done by sharing.

4. Conclusion

The cooperation marketing strategy can increase the profit of the batik business in the Batik Laweyan village. The *Gotong Royong* marketing strategy to develop products in the MSEs cluster is essential. The concept of *Gotong Royong* marketing consists of six formulations, namely Shared Outlet, Kampung Batik Website, Joint Exhibition, Shared Brand (One Brand) for all products, Procurement of Shared Materials, Inter-Cluster Batik Corporation. The study results are expected to provide an overview and insight into knowledge about the culture of local wisdom in making business decisions. Cooperation marketing can determine strategies in marketing for mutual benefit by entrepreneurs. *Gotong Royong* marketing strategies that are practiced can degrade conventional marketing methods carried out individually by batik entrepreneurs.

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