

The Power of Transformative Relational Marketing of Batik MSMEs in Banyumas and Purbalingga Regencies

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Abstract. The power of transformative relational marketing for MSMEs is a reflect of how the performance of an entity. MSMEs are conducting the obligation to have good capacity in their performance. MSMEs batik is on of the growth sector. The current relational management aspect for MSMEs batik give alternate of combination aspects from entrepreneurial orientation, network capability, and response speed of the Batik MSMEs relational marketing. This study aims to examine the effect of entrepreneurial orientation, network capability, and response towards the transformative relational marketing. This research was taken place of Batik SMEs in Banyumas and Purbalingga Regencies, used the dependent variable of power of transformative relational marketing and the independent variables of partner network capability, entrepreneurial orientation, and customer response speed. This study used 120 MSME respondents in Banyumas and Purbalingga Regencies during January until June 2022. Analysis SEM PLS was used in this study. The results of the entrepreneurial orientation, partner network capability, and the response speed effect transformative relational marketing.

Keywords: MSMEs, *batik*, SEM PLS

1. Introduction

The development of a partnership relationship is very important. business in its development requires a transformation in terms of marketing. To provide the best service to consumers, it is necessary to have the strength of a marketing network.

The concept of the inventive economy and the concept of entrepreneurial have the same common string which incorporates the concept of imagination, thoughts or considerations, and the concept of development. Inventiveness in commerce is how to apply imagination within the work being done to deliver modern items, strategies, and structures to progress the way things work in (Aryanto, 2015). Accomplices arrange capability is the capacity to coordinated accomplices is the capacity of the substance endeavors in planning and overseeing accomplices by effectively partaking through the capacity to share data and arrange for trade advance (Eisenhardt and Martin, 2000; Augier and Teece, 2007).

Batik is one of the characteristics and social expressions that have a typical meaning and tall tasteful esteem for the individuals of Indonesia which has ended up a legacy of world civilization. The

assortment of conventional batik themes is exceptionally huge, but the varieties are beneath the reasoning and culture of each locale in Indonesia. In expansion, batik moreover plays an critical part within the people's economy. The batik industry in different districts in Indonesia has ingested a really expansive workforce, from the fabricating handle to showcasing. Banyumasan batik encompasses a character that recognizes it from other batik themes. That's one of the characteristics is the insides batik which is propelled by numerous plant and creature motifs. In agreement with the environment within the Banyumas region which is overwhelmed by conventional thought processes and mountains. In expansion, within the prepare of coloring, Banyumas batik tends to utilize ancient colors.

Some previous researchers have shown contradictory results regarding the effect. The results of the study show that there is a significant relationship among entrepreneurial orientation, network capability, and response speed. Based on the research gap described earlier, the problem is that there are still controversial research results regarding the effect of entrepreneurial orientation, partner network capability, and responsiveness to relational marketing.

2. Literature Review

2.1. *Relational marketing*

The Relationship marketing is defined by Morgan and Hunt (1994) as "all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges." RM represents a company's "culture" in developing successful relationships, networks, and interactions with diverse but equally important stakeholder markets (Pfajfar et al., 2022).

Relationship Marketing (RM) encourages collaborative relationships between organizations and stakeholders through communication and interaction (Grönroos, 2011). The primary goal of RM is to encourage long-term mutual satisfaction among businesses and their customers (Sedalo et al., 2022). Relationship marketing implementation requires a strategic approach that includes developing customer-centric processes, selecting and implementing technology solutions, and empowering employees (Chaston, 2013).

When individuals develop a desire to maintain a closer relationship with an organization, the expectations of both parties regarding the balance of obligations and benefits become more latent (Ashley et al., 2011; Drollinger, 2018; Waters, 2011). When this happens, it is natural to believe that the relationship is based on mutual trust and reciprocity. Individuals who have experienced personal reciprocity are more likely to form reciprocal and mutually beneficial relationships with organizations (Minguez & Javier Sese, 2022; Palmatier, 2008).

2.2. *Entrepreneurial orientation*

Entrepreneurial introduction is the demeanor of a individual or trade on-screen character who has the imagination to discover modern thoughts within the creation of items or administrations, can capture openings to showcase needs, and can oversee the dangers that will be confronted. Several opinions regarding the concept of entrepreneurial orientation developed by several previous researchers are more toward improving business performance (Hughes and Morgan, 2007; Arshad et al., 2014).

2.3. *Partner network capability*

Partner network capability is the ability to integrate partners is the ability of the entity efforts in coordinating and managing partners by actively participating through the ability to share information and negotiate for business progress (Eisenhardt and Martin, 2000; Augier and Teece, 2007).

2.4. *Customer response speed*

Responding speed to customers is the company's speed in responding to customer needs and desires by providing added value in the creation of product quality, service, maneuverability, and responding to

changes in customer preferences for product quality, pricing, distribution, and promotion Kayank (2014).

2.5. *Creativity*

In the course of the development of the national creative industry, there are still fundamental deficiencies such as an understanding of the creative industry, appreciation of creativity, coordination of development, weak networks, and creative entrepreneurship. Creativity as a mindset, attitude and action that stimulates innovation, commitment, originality, and transformation to build oneself sustainably in various aspects of life to enjoy an increased and better quality of life. Creativity produces excellence in products including unique and actual designs, can meet consumer tastes, quality is always maintained, on time, and competitive prices.

Here is the research framework and hypotheses for this research.

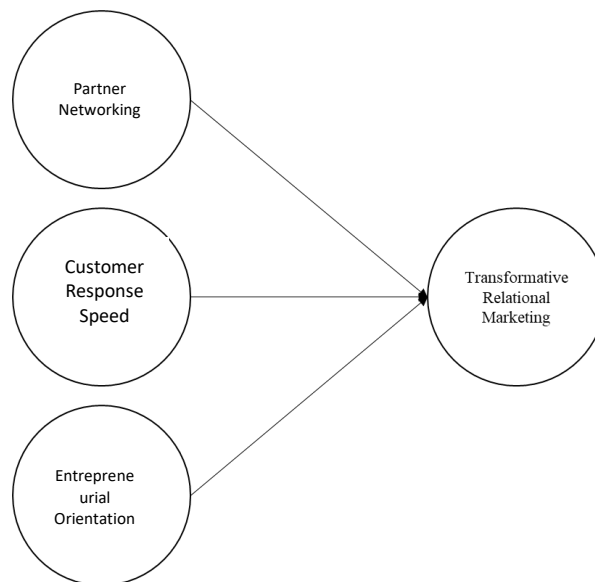


Figure 1. Research Framework

3. **Research Methodology**

The research was conducted in Banyumas and Purbalingga regencies on 120 Batik SMEs. The research method used in this study is a survey method. Data collection is done through interviews and questionnaires. The research approach used is a quantitative approach. The number of samples was determined in the study using PLS Structural Equation Modeling (SEM).

3.1. *Analysis method*

This study uses an analytical technique Regression weight on SEM which is used to examine how big the relationship between the variables is. The model for the research is described by a path diagram. This study uses a variable consisting of four independent variables entrepreneurial orientation, customer response speed, partner network capability, and Dependent variable relational marketing.

Entrepreneurial Orientation. It is the attitude of a person or business actor who has always been a pioneer in terms of always being innovative, the ability to take risks, act proactively, autonomously, and aggressive in competition.

Customer Response Speed. Responding speed to customers is the company's speed in responding to customer needs and desires by providing added value in the creation of product quality, service,

maneuverability, and responding to changes in customer preferences for product quality, pricing, distribution, and promotion.

Partner Network. The ability to integrate partners is the ability of the actors efforts in coordinating and managing partners by actively participating through the ability to share information and negotiate for business progress.

A validity test is used to measure the validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire can reveal what is measured by the questionnaire (Ghozali, 2018). A validity test was carried out related to convergent validity and discriminant validity. The indicator used is Average Variance Extracted (AVE) which is a measurement of the distribution of variance between a construct and its indicator or better known as convergent validity. Convergent validity is met if the construct has an AVE with a minimum threshold of 0.5 (Hair et al., 2006).

3.2. Hypothesis test

Using CMIN/DF which is the minimum sample discrepancy function divided by the degree of freedom. CMIN/DF is a statistic from Chi-square where χ^2 is divided by DF so it is called relative χ^2 . If χ^2 is relatively less than 2.0 or 3.0, it can indicate an acceptable fit between the model and the data (Ferdinand, 2000). TLI Tucker is an index that compares a tested model against a baseline model. Where the recommended value as a reference for the acceptance of a model is > 0.95 and close to 1 (indicating that the model is a very good fit).

4. Results

Data collection was used for this research using survey. Research respondents were 120 batik SMEs in batik in Banyumas and Purbalingga. The study used PLS Structural Equation Modeling (SEM). The results of the study are presented as follows.

Table 1. Gender Profile of Respondents

Table 2. Business Age Profile

Based on the respondent's profile, it is known that the business age is distributed well. At least fifty percent are in five until ten years old business. Batik SMEs in the Banyumas and Purbalingga regencies is dominated by women entrepreneurs. It means entrepreneur is not only dominated by the men as leader in the family.

The commerce age profile appears that batik still has openings. Usually appeared from the presence of batik businesses that are still youthful or less than five a long time ancient. In any case, when viewed from the rate, the condition that's very overwhelming is within the trade within the extend of five to

ten a long time. This appears that in connection to the batik SME trade, where the era of the 2000s batik started to be exceptionally stared and enjoyed, it still holds on to this day. This can be a great pointer where in case it is related with investigate factors, the nearness of a organize of accomplices makes a batik trade able to perform well in marketing. Batik trade does require diligence conjointly new ideas. This is often prove by the presence of a batik trade that still survives and has been around for a long time. Judging from the age of the trade, it truly appears that this batik commerce can still survive. The presence of a trade with a trade age of more than ten a long time demonstrates that this business can still be depended on. Of course, it isn't simple, and based on the investigate factors considered, on the off chance that you as of now have a great arrange of accomplices, this commerce prospect can final a long time and create.

This study was analyzed using PLS Structural Equation Modeling (SEM) to test whether there are direct and indirect effects. The results of the study are presented as follows.

Table 3. Inner Model R-Square

Table 4. Path Coefficient

5. Discussions

The results showed that entrepreneurial orientation, customer response speed, and partner network had a direct effect on transformative relational marketing. From the table shown that the adjusted R square was 92,8 percent. That means very good for the study. The results show that entrepreneurial orientation, partner network, and customer response speed have a positive effect on transformative relational marketing. It means that those variables are concerned as factors that are affecting the transformative relational marketing. The entrepreneurial orientation has strong effect because the business needs to be settled by the thinking of entrepreneurial. Other variables also had good effect to power the transformative of relational marketing. How the response speed to customer also had a good effect. Moreover partner networking also support the transformative relational marketing. The results of this

study support several previous studies. Research that shows the effect of entrepreneurial orientation is more towards improving relational marketing (Drollinger, 2018; Pfajfar, 2022).

6. Conclusion

The results of the study concluded that research with the variables of partner network, entrepreneurial orientation and consumer response speed to marketing performance through transformative relational marketing forces resulted in a direct influence on partner integration capability and entrepreneurial orientation on relational marketing.

7. References

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