

Pak Nadjib OIJR 2015

by Oijr 2015 Pak Nadjib

Submission date: 30-Apr-2018 02:38PM (UTC+0700)

Submission ID: 956124723

File name: OIJRJ_2015.pdf (224.13K)

Word count: 7432

Character count: 40507

Applications E - Business : Innovation Model of Small Medium Enterprises Development Batik Tulis in East Java to Face Global Market

^aRahayu, Yahya, ^bM. Nadjib Usman

^aSekolah Tinggi Ilmu Ekonomi Indonesia Jl. Menur Pumpungan No. 30 Surabaya, Indonesia

^bSekolah Tinggi Ilmu Ekonomi Perbanas Surabaya Jl. Nginden Semolo No 34-36 Surabaya, Indonesia

Abstract

Long term goal of this research is to change the business method which using traditional ways by using internet at IKM Batik Tulis in east java, to enlarge market target through overseas and develop competition in global market. The specific target to be reach are attribute identification of online business for each business center and changing traditional business to become e – business. This research was an exploratory research, this research was using qualitative and quantitative approach. Qualitative approach was taken with Focus Group Discussion (FGD) to decide e – bussiness design. Quantitative approach were used for website design. Experimental research was used for knowing customer response toward e business design which have build based on FGD, then the attributes of design bussiness could be revised based on customer respons. Website base design in the result of customer research inform that the product features which offered by IKM contains information about local hospitality of batik motives and also to show arts or excellence which owned by all fourth district, design variation on one region either combination of region motives were very important, cause it impact to creating potential market segment, batik tulis production were produce in limited edition. Local hospitality of batik motives otomatically represent of region identity, arts and history value in Indonesia

KEYWORDS: Local Hospitality, Batik, e –Business, Small Medium Enterprises.

A. Introduction

Entering the era of globalization, the development of business in any field has its challenges. All economic activities depend on free global competition and open businesses in which only the strong and resilient that will prevail and exist. The rapid changes in the external environment in a free market, companies must anticipate these changes dynamically with the right business strategy and sharpen competitive advantage on an ongoing basis that the company still exist and improve its performance. The impact of global markets are large amount of foreign products entering the business in Indonesia, so the competition is getting tougher . By still using traditional business practices by IKM weaken the competitive position in this industry. This condition raises the limitations of the market and consumer services.

Existence in the global market requires innovative competitive strategy to win customers. Special strategies are needed to improve and change the shape of the main business processes by the internet than traditional business practices to e-business. implementation of e-business expected to be easier for consumers to get customized products and reach out to the company. In addition to the unique shape of the channel is expected will increase cost efficiency.

Design of e-business strategy is illustrated on several important entities such as agents, entrepreneurs, consumers, decision makers, employees, families and governments. Required specific strategies include ease of access and consumer involvement in the manufacture of products by choosing your own color, design, pattern, style, shape, size, material for some types of products to be ordered via internet.

This strategy to increase awareness and customer satisfaction as a practical involvement through the Internet in purchase of a product. Some products require relatively e-business, among others, such industrial clothing and craft industry. Based on the description above is necessary to study IKM on e-business. For IKM readiness to face the global market with more creative ways.

The specific objective of this research is:

1. Identify the attributes of e-business according to customer desires and input from various stakeholders, such: the Department of Industry, entrepreneur banking, cargo, involved IKM, consumers (actual and potential), IT experts and providers.
2. Experimental design of e-business research facilities that use electronic / digital as access channel to conduct various business activities ranging from product promotion (unique design in designing e-marketing in the form of on-line catalogs, blogs and website), reservations (customize which involves the role of consumers to choose their own design, colors, patterns / motifs, shapes, materials, size distribution (utilization of IT e-marketing) as well as payment transactions (the use of IT / e-banking).
3. Evaluation of e-business design and prototype products based on the results of experimental research to determine consumer response related to product decisions purchase.
4. Improvement of e-business design and prototype design products based on consumer research.

Small and Medium Industries (IKM) batik were exist in every district in East Java. The craftsmen also do a similar thing in marketing their products. Batik makers generally rely on the distribution system by entrusting its products at several boutique, craftsmen also determines prices are considered competitive but boutique owners assume that the craftsmen less assess the meaning contained in batik art for the boutique owner sometimes set a high price even doubled over higher than that determined by artisans. This is of cause of batik does not have the frequency of purchase faster because most do not buy is really batik collectors, in addition to the benefits obtained by boutique is higher than the craftsmen (Rahayu, 2010).

Batik artisans market range is very limited, it is because they are not able to optimize the marketing mix strategy, although many batik products are offered in the online market, the activities carried out by the owner batik boutique and several trader who are capable and exist. Most batik makers not using online marketing system, this is because they have not been able to use internet, they acknowledge his ignorance regarding of internet technology.

The condition causes batik artisans unable to have maximum existence in the global market, they are very dependent on the distributor / boutique. It is important for the craftsmen to learn internet so they know the various batik products are offered

via the internet include : variations in the design , pattern, color , price , etc . Thus it would create creative artisans in making strategy in the field of production and marketing (Rahayu , 2010)

Results of research conducted by Usman (2013) on the topic " Effects of website Batik Product Design Against Consumer Purchase Intentions " concluded that , various websites for a relatively large batik products , offering the diversification of products in the form of fabrics and clothes for various segments which offered with variations appearance. But so far there are similarities motive on product variety and form of websites. It also can reduce consumers' purchasing intentions because of the impression that the product will be used tend to like uniforms. Some websites batik ikm in East Java, the average is dominated motif of Madura , Lamongan , Tuban and Malang , the identity of the motive of the area is also available on the display and another product offerings batik SMEs in East Java . Website design is almost the same , it makes an impression on consumers that the product offering in the online market batik duplicating each other and they prefer products based on the identity of the origin , it also led to the decline in consumer buying interest

These conditions led to the purchase in the online market for batik SMEs who live in the area of Madura , Lamongan , Tuban and Malang are more than the outside area proficiency level . The consideration is considered an original prouct and not through a distributor because of its lower price . Also concluded that the views of IKM website design batik Jombang , although the average motive offered relatively similar to batik ikm in Madura , Lamongan , Tuban and Malang. The display of products on the website with unique design and further highlight the motif Jombang show more many visitors and purchase transactions is quite high , it indicates that the consumer 's purchase intention is strongly influenced by the design of the website as well as the variety of interesting products .

To show the motive area as a motive identity of each ikm and variations in pattern, color and diversification of batik products will affect the design of the website, which in turn will affect consumer purchase intentions and purchasing decisions is a suggestion from those research for further research.

Previous research has been done by Yahya (2013) on " The Importance of Consumer Research In Preparation Strategy E - marketing" . The study was conducted on fashion products which produced by some ikm , some of the results are:

1. Strengthening the potential of IKM can be developed with several parties associated with growth and development of IKM , this can be done by means of cooperation with the Industry and Trade , the universities and other parties to support the operational processes of IKM both in the production and marketing fields . However, IKM are less able to gain such access. Most institutions of higher education do not know the existence of IKM because it known only based on the data of Industry and Trade. Therefore, most of the IKM that already supported by several lectures is the same IKM.
2. The importance of the application results of the university research were helping the development of ikm in the field of production and marketing.
3. Setting and strengthening the potential of ikm in the field of production is very important , it useful for the ikm which not only manufacture products but should be oriented to the market needs . Thus the products must be innovative. Therefore, before the product is launched into the target market, it must be carried out market research first . IKM limitations to perform this activity is very difficult, for that the lecture role from university is needed . The research results will become the basis

of product innovation and then the product which offered is not rejected by the market.

4. Readiness of IKM in conducting e -marketing strategy is very important to open up market opportunities IKM products . However, it's important to open up the knowledge of IKM in e - marketing strategy cause design of e -marketing is not just only made but it have to show the products are interesting and capable in providing a guarantee of trust and security for consumers. It is important to conduct initial research against a website that will be launched, it will be working well for serving online market by the variety of preparation.

The transition traditional business practices to e -business by utilizing internet technology is one of an efforts to face increasingly competitive business world. Meaning of e -business is, by using of internet technology to improve and change the shape of the main business processes primarily in sales (5th_meeting_E - business.pdf) . Various opinions which have observes internet media, state that the company can directly conduct mass communication, which will become an ideal market for the various types of goods because each person has their own desires and expectations of the product or service . Business practitioners see that e -business has become a trend and a lot of contribution in various ways ranging from e - marketing , e -banking , e - customer service , which all of it facilitate business and save costs .

E -business concept were wider than e - commerce , then philosophically e - commerce is part of e -business . The focus of e - commerce on the activity / transaction mechanism which conducted electronically / digitally, make e -business has wider coverage , including : the relationship between the enterprise activity , the interaction between the company and its customer , enterprise collaboration with its business partners as well as the exchange of information between companies with its business competitors (E 5th business marketing , lukis@mail.ugm.ac.id) .

E - commerce channel has two types , namely : (1) commercial channels and (2) the Internet , the both lines is the global web of computer networks that allow fast communication and decentralized . (Kotler , 2000: 756)

In this era , the competition is getting higher , consumers are more selective in choosing products and services . Companies compete freely in the marketing and design of products which were offered to consumers . This condition is a challenge for domestic manufacturers to compete in the free market to create goods , promote and present it to the consumer .

Current marketing trends shifting from a transactional approach to the relational approach with a focus to meeting needs and customer satisfaction. Relational approach is the way of manufacturers retain customers in the long term at the basis of loyalty and customer trust . Many empirical studies prove that the strategy in marketing is important. Customers become the key to success in the business enterprise. Companies must prioritize product offerings system which more satisfying than its competitors (Kotler and Keller , 2006: 756) .

Business competition in global markets is very high because there are no boundaries , then the company must develop the right competitive strategy , in accordance with the conditions of it business. Porter (1993) suggests a strategy to compete with the differentiation strategy, by offering a unique product and cost leadership strategy (price is cheap compared to competitors) would be able to reach a wider market share , it is proved by the results of empirical studies that companies that excel (able to make the goods unique with low price) was able to achieve performance above average (Hartini , 2006: Sammie and Hart 2003) .

Through e-business many advantages gained by consumers and producers. For consumers, they will find it easy to search and select an item, the information received is relatively many and very objective, the consumer does not have to face the sales person and do not need to queue. For business owners, they can quickly adapt to market conditions so that at any time form a description of the product offering and can be changed at any time. Through the medium of internet entrepreneurs perform activities more efficiently because by digitally automated, but it also can foster good relationships with customers as well as studying the behavior of customers, many online site visitors also can be detected, making it easier manufacturers improve bids and ads. (Kotler 2000: 758)

Implementation of e-business with any business activity over the Internet were involving consumers in choosing the design, colors, patterns, materials, size before the product is created, it can be a different image in the minds of consumers. This condition proves that the image is the main component in the quality of products that eventually become the deciding factor in purchasing decisions (Zeitthaml, 2002). Product image is an important factor of brand equity and customer value cause it becoming value which received by the customer (Kotler and Keller, 2006). The higher the image of the product the higher the value received by customers. Customers will buy the products that provide the highest value compared to competitors. Increasingly these products into consumer choice, the higher sales volume, which in turn increased the performance of the company.

Internet usage in the world very rapidly. Internet users in the world in 2000 as many as 506.7 million people in 2006 and increased to 1,086,250,903 people. Such changes reach to 200% in six years. It is also happen in Asia from 394 872 213 114 303 000, these changes reached 245%. The increase that occurred in Indonesia reached 2,000,000 people became 18,000,000, the changes up to 800%. The first order of largest population of Internet users in the world are still occupied by the United States, which reached 207 161 706 people. Next row followed by China 123 million, Japan 86.3 million, and India 60 million.

Viewed from the level of Internet penetration in their respective countries, from the 20 countries which the most Internet users, the United States is a country with a high penetration rate, ie 69.3%. Second and third place is occupied by Australia and Canada 68.4% 67.9%. Meanwhile, Indonesia ranks 19th with a penetration rate of 8.1%. By the 19th position, Indonesia at a lower level position under China with a penetration rate of 9.4% and a higher level above India with a penetration rate of 5.4%.

By viewing of these developments, it can be stated that the potential of the online market is good for the overall world market and also the markets of Asia and Indonesia. Especially when viewing Asia which the penetration reached 10.8% and Indonesia particularly new to the penetration rate of 8.1%. estimated the Indonesian online market penetration will continue to increase. This potential were interesting to watch and potentially profitable if utilized properly.

In the 2004 the world trade value reached \$ 4.3 trillion, started from 2001 to 2005, trade growth reached 68% in the USA and Europe 91%, while in Asia 109%. Internet use for business activity lately having rapid growth. Interestingly 85% of these developments are dominated by small and medium scale enterprises (Celuch et al., 2005).

Many researchers who study the concept of attitude (attitude). Because attitude of a person's behavior is a decisive factor. Understanding the formation of attitudes, the relationship between attitudes and behavior, and a change in attitude is very

important because it affects the behavior attitude . All marketing activities related with important sector to influence consumer attitudes (Schiffman and Kanuk , 2007) .

Attitude can not be directly observed , but it must be inferred from what was said or done by the consumer . In building the concept of attitude , clear distinction conducted between beliefs and attitudes towards the object and attitude to the object . Confidence in the object is an individual assessment of the properties (attributes) of the object and are associated with another object. Attitudes toward the object is an individual response to the object through the assessment that it is good or bad , beneficial or detrimental (Fishbein , 1967) .

Some important fundamental conceptual understanding. First , the attitude of have the object . Attitude object can include behaviors , products , categories of products, services , people , organizations , ideas, issues , Internet , and so on . It is an evaluative dimension . Attitude is evaluation . Second , consumer attitudes toward the object is the result of repeated learning . Another characteristic of the attitude showed that attitudes are relatively consistent on behavior. Attitude line with the behavior. A positive attitude will probably encourage the emergence of appropriate behavior with that attitude. Negative attitudes might hamper a person not to behave . However, the attitude is not permanent. As attitudes can be formed, as well as attitudes can be changed.

The cognitive component refers to the belief or knowledge of the individual to the object attitude. Affective component includes individual feelings to the object attitude. Cognitive component explains individual behavioral intentions toward the attitude object . According to a multidimensional view of the attitude ,three attitude components will form an integral part of the construct attitude. Person can use the model to analyze the attitude of the structural and multidimensional data measurement (Donat et al. , : 2009) .

Referring to the concept of attitude above it in the context of consumer behavior online , as proposed by Huang (2005) is the attitude towards online shopping as " an individual 's overall evaluation of online shopping as a way of shopping , the which can be positive / negative or favorable / unfavorable .

A common way to get information on the evaluation of the attitude of the respondents is to use an attitude measurement scale . Mean attitude toward online shopping is positive or negative feelings associated with perceived consumer online shopping behavior by using e - commerce channels for shopping in general and using certain online store (Li and Zhang , 2005) .

Trust in online shopping is an important component, trust is closely related to the perception of risk in online shopping because of the risk is greater when compared with conventional shopping (Huang et al , 2007) . According to Gefen and Straub (2004) , the consumer make an effort to understand , predict while controlling the behavior of the other party in order to minimize the risks that occur in online transactions . Online shopping requires trust as an important factor to determine the decision . At the time of deciding to buy online , consumers trust have to be in their mind against the vendor (Jarvenpaa et al , 1999) .

Trust reduces the risk perceptions that arise when physically not recognize the online store , online store owners are not known , and product quality cannot be identified immediately (Cheung , 2003) . Trust is seen as a very important factor in conditions of uncertainty and risk , (Huang et al . , 2007) . The lack of trust was the main reason for consumers not spending (Huang et al . , 2007) . Empirical evidence indicates that trust negatively affect the perception of risk associated with the intention of buying online (Featherman , 2001) . Jarvenpaa et al. , (2000) defines risk

is the belief in the possibility of acquisition and loss experienced by the consumer, the higher the trust of consumers to the vendor, the lower the perceived risk of the consumer (Heijden et al., 2003; Jarvenpaa et al., 1999; Jarvenpaa et al., 2000).

The high consumer trust owned stimulate the emergence of attitudes that support the behavior. Trust the consumer to the vendor an impact on consumer attitudes to the vendor. Gefen and Straub (2004) showed that consumers trust to ability, benevolence, and integrity that dimililiki vendor influence on consumer attitudes toward online shopping. Many empirical studies find that a group of Internet users indicated that trusts may also directly influence the attitude of online shopping (Jarvenpaa et al., 2000).

Trust is an essential component for the success of e-commerce (Lumsden and Mackay, 2006). The role of trust as a factor that stimulates the intention of online shopping behavior. Trust is a long-term issue in realizing the Internet as a medium for marketing to consumers. Huang et al., (2007) that the trust and the perception of risk is an important factor impacting on consumer purchase intention. High consumer trust will encourage the emergence of an intention to make purchases online (Gefen and Straub, 2004).

Risk perception is a construct that fall within the realm of belief. Heijden et al. (2003) stated that the perception of risk affect the shopping attitude. The opinion of contradiction with the opinion of Jarvenpaa et al. (2000) which states that the risk perception negatively affect attitudes in shopping. A series of possible perceptions can give a negative effect on the willingness to buy, or in other words the risk perception affect the behavior (Jarvenpaa et al., 2000).

Consumer attitudes toward online purchasing behavior provides an important role in explaining the online purchase intention. The discovery of several e-commerce research supports this statement (Chen et al., 2002; Shim et al., 2001).

B. Methods Of Research

This study is exploratory research. This study used two approaches, qualitative approaches and quantitative approaches. Qualitative approach conducted by Focus Group Discussion (FGD), which aims to determine the problems faced by entrepreneurs in e-business, it also conducted consumer research to obtain critical information before making the design of e-business, consumer consideration in deciding purchase online.

The study population was all concerned with the development of SMEs is the 1km business stakeholders include the Department of industry, activists batik is concerned, consumers (actual and potential), IT experts, expert product designer. The total sample consisted of activists batik centers in every 4 people, from the Department of Diskoperindag 4 people from each district 1, consumers (actual and potential) as many as 6 people, 1 IT expert and expert product designer 1 person, 1 person banking and businessman cargo 1. Thus the number of teams in the FGD is 30 participants. By triangulation of data, then the valid data from FGD Research will be analyzed with a qualitative description. Based on a qualitative description is made, the respondents (consumers exist and potential consumers) was asked to evaluate the design of the website.

The stages of research to be taken are:

1. Exploratory research at Focus Group Discussion (FGD) for the identification of appropriate product design attributes for each industrial centers. Focus group research to determine the design of e-business involves various side such as: the

Department of Industry , business banking , cargo , ikm are concerned, consumers (actual and potential) , IT experts and providers.

2. Conducting consumer research to improve the design of batik products that consumers choices based on the results of focus group discussions in order to conduct experimental research design of e-business by using of electronic facilities / digital as access channel (access channel) to conduct various business activities ranging from product promotion (unique in design designing e - marketing either on line catalogs , blogs and website) , reservations (customize which involves the role of consumers to choose their own design , colors, patterns / motifs , shapes , materials , size distribution (utilization of IT e - marketing) as well as payment transactions (utilization of IT / e -banking) .
3. Evaluation of e -business design and prototype products based on the results of experimental research to determine consumer response related to product purchasing decisions .
4. Improvement of the design and development of e -business product design batik based on consumer research and focus group research results .

C. Results And Discussion

1. Opinion of Batik Designer Experts

By observing the motif of local wisdom in the first year, batik designers experts provide input to the look of the website together for batik ikm from four districts, which are :

- a. Designed website should not only display batik cloth but should also featuring blouse , shirt or dress , it is because at the time of the website visitors observe their motives, they will have an opinion that this motif nice, but consumers would also be difficult to appropriately combine both in terms of the use of such clothes for casual , party or even to work
- b. Appearance website design would be great if some combination motif combines local knowledge between regions and fellow motive in existing area. This will create batik performance among activists in all four areas. However the creation of this partnership will motivate the emergence of creativity for batik activists. This will foster ongoing cooperation, in view of the capabilities of each SME can be developed in this field .
- c. The combination of the look of the website in the form of fabrics and clothing wil provide an opportunity for consumers to choose of the products that they prefer. Thus , this IKM can automatically establish the market segment .

2. IT expert Opinion

Some cases show that online marketing can increase sales turnover . But even that so,it must remain supported by offline . If they can walk together, it would be better. On the implementation of FGD IT experts provide some input to website batik features of SMEs in 4 districts (Kab. Mojokerto , Kab. Jombang district. Kediri and the District. Lamongan as follows :

- a. The number of design motive batik local wisdom should be not displayed all because of many motives that may lead to consumer confusion, by the consideration that not all consumers have more money to buy ,cause in shopping for fashion products consumers usually buy more than one type of

product . When buying clothes they will find / buy other products for a suitable combination.

- b. The right look for products batik ikm from the four regions should be limited edition . This technique will make consumers easily remember the name of the website, so it will becomes a potential customer.
- c. Full feature of website will also make it difficult for consumers, then they will can cancel their transactions
- d. Structuring the product display to be appropriate, between the clothes and fabric design motives offered in the limited edition. It will be easier for consumers to choose different alternatives.
- e. An explanation of the concept of each motives should be illustrated cause also add the interest of consumers to buy

3. Consumers' Opinion

Some opinions about the reasons why they purchase batik products in the online market are:

1. Products offered are unique , there is meaning contained in batik motives , high artistic value , the impression of elegance , unique and illustrate cultural values .
2. Blend value of classical and modern art will feature batik trends, such the product that become the focus of consumer choice . This batik production process must combine local wisdom motives with artistic design and a blend of modern batik motives – it called contemporary batik .
3. Supported display of best products in a websites, responsive service and response to any suggestion or complaint will foster a sense of consumer confidence and even customer loyalty.
4. Speed of service and availability of the products displayed on the website will facilitate the transaction for customers for not to wait long.
5. In view of all transactions using the entire technology, featured on the website must be clear and easier for consumers, both in the process of payment and delivery of products ordered .

3. Opinion by Department of Industry and Trade

As a builder of SMEs , every Department of Industry and Trade Support four (4) districts which became the object of this study ,strongly supports fully the special website batik SMEs for the fourth district because it will help economic growth in the fourth district . The inputs provided are :

- a. Given the respective centers of batik SMEs in the fourth districts has advantages and limitations, then established cooperation between SMEs is very important, because this condition will be able to improve their performance in various fields, especially in production and marketing. It will also able to create motivation among activists batik because in these activities will be complementary each others.
- b. Combining local wisdom motif between districts are also good, because of the combination will enrich variety of products features on the website.
- c. With the cooperation of batik SMEs both within the group and between SME centers in different regions will accelerate the production process, then it will accelerate the process of customer orders.

5. Opinion Freight businessman and Banking

Involved in online transactions conducted between the consumer and the entrepreneurs often become scapegoats when the cargos which have shipped have not reached the hands of consumers.

Delays in delivery of the company is often caused by the production process or because of internal factors but when there is a complaints from consumers they say there is trouble on the part of the cargo . This needs to be anticipated by providing information on the website of the shipping services to coordinate with.

Cargo company which chosen should be reliable and ensure speed and security products delivered cause it become important indicator for consumers consideration . IKM Parties shall establish cooperation with a cargo company. Likewise with the payment transaction process, the IKM should use more than one (1) bank that is able to reach all the areas for buying and selling can be done quickly , safely and flexibly .

6.Opinion Campaigners Batik against Market Strategy Online

In general, the four activists batik in the district have been coordinating in their each center. The coordination stating that not all activists batik ready using online market strategies , actually their desire to market their products online have becoming old program, but due to an offer from the Department of Industry and Trade which is not specific, it make a lot of IKM batik refuse .

The other reason is the lack of confidence by IKM batik with consumer response because they feel inferior to the products that will be offered. Based on observations IKM , batik design in various motives website is almost the same and monotonous , even batik produced relatively the same , this causes a lack of confidence of IKM to sell on the internet .

The SMEs also consider the possibility of risk that will happen in running online business. With so many variations of the new design motives based on local wisdom and IT, IKM groups who are willing to join in this website were relatively much. In addition to the many motives of the HPI can also make market segment in a proper way , they do not worry about the order because among SMEs in the four districts to help each other because they will sell batik shirt by combining the motif in the four districts. Besides this IKM group also develop business in the convection because this business are interrelated.

At the time of the FGD implemented, the batik SMEs are ready to join in this website the carrying out of the district. Mojokerto are 3 groups of SMEs. 4 groups of Kab Jombang . Kediri were 3 groups and Lamongan District 1 Group. So this website will feature batik products produced by 11 groups of IKM. Their willingness to join are strongly related to production readiness and capability of producing batik local knowledge or application of research which resulted in the first year.

7.Consumer Research

Based on the feedback from the focus group, it has been created batik shirt designs with variation motives between regions in the fourth district and motif local knowledge existing within one (1) counties . In consumer research showed quite good results, the interest of consumers to design motif of local wisdom in fashion clothes which have offered are quite high, many consumers make an order. Some consumer opinion are the uniqueness of local wisdom motif containing high art value , solid match between the motives and design which have made also the current trend.Although there are a classic motif , but looks very artistic and elegant . Many

consumers want local offline marketing system for local wisdom motif, at least there are special boutique for the batik to shown an identity , so local consumers are potential consumers, in this so batik local wisdom will be familiar in the fourth district and outside the region . It is very closely related to the area of consumer loyalty to wear batik identity.

8.Design of E-Business

In each of the industrial centers set some employers only. In the design of online business made a classification based on the ability and willingness to cooperate between centers in one district and between centers in four districts. It is expected to multiply variations and creations of batik products that support the consumer interest. Online business design is made with classification based on the type of batik motifs based on local wisdom in the form / type of pieces of fabric and design within a shirt with the motif combinations among the four districts, it is expected to motivate the creativity of SMEs in conducting combinations and variations of the design in purpose that the website will be attention of consumers to choose and conduct transactions with batik products. In addition, if displayed with a particular motif in a limited edition ding by open the website.

In the design of an online business is prepared space for comment and customer contact. Comment that support or positive will improve the performance of the website, and expected cooperation between SMEs to provide the best in customer, because if one of the IKM does not satisfy the customer, it will have an impact on other SMEs . This because the concept used is e - mall.

In the design of this online business every IKM given a special password that can be used to design / change of display products such as changing product offerings, price change , alter superior products etc . Passwords can only be set in such a way to change the display of the SMEs and could not accessing administration of other SMEs . In summary that every SME has a password for each SME administration, and researchers have super administration that can get into all SMEs. So when SMEs have problems , the provider website of the team can fix the problem with the online system .

In the website design is also featured production process for each SME, expected to upload this production process, will convince consumers that providers in this case SME is indeed a manufacturer , not distributor. online businesses design already completed by making hosting and domains ,the website address is [www / eastjavabatik](http://www/eastjavabatik.com).

8. Consumer Response Over the Business Design Online

Responder on the design of an online business, majority of respondents stated that the design of the website is usual. The main advantages are easy on searching. Most respondents like this website because it offered relative motif varies with many categories of size, color and type of fabric variation with various quality criteria.

Some respondents stated that the products which offered are interesting and unique. There are some responded that the blend between the motif are not connected, so it needs to be studied in the process of integrating the combination of motifs and colors.

Many consumers also commented that batik in the website cannot be found on the market, a typical motif must be considered, cause in the future the motive will become a trend and shows the regional identity and creativity of batik center in Indonesia

Advice given respondent related with less attractive product is SMEs often replace the displayed products on a regular basis, in addition to increasing the uniqueness of course, it is necessary to add information when consumers buy a lot of products, or special reward. In addition, consumers also commented that searching within the website is easier, the homepage is interesting, attractive color combinations are used, the information is complete, clear and attractive product images, clear product descriptions, product variations are many, the most important thing is the intention of the consumer when need a product, consumers intend to buy the products offered in this website as well as the consumer intends to inform this website to a friend / family.

D. Conclusion

1. The Internet is not new for the entrepreneurs in the SME sector in East Java, mostly businessmen familiar with the Internet. However, not many employers use the facility to improve business performance. Some of the constraints faced by each industrial centers associated with online business is not the same. Averages of the problems faced are the Human Resources, production, funding, lack of strong associations etc. So it needs a different treatment for each center.
2. The main consideration of customers when buying online is efficiency, primary basis of business practice online is trust. Consumers will see from other consumers comment, then in online business designs must be prepared comment list for consumers then the employers will fix the weaknesses.
3. Design of an online business made in the form of e mall with many variations motif local wisdom, in the form of fabric or shirt designs, as well as variations in size, color and type of fabric. Each SME has its own password, so they can change their own product display. However, the password is set such that each product is sold directly contacting the SME in question. Superadmin passwords which in this case is owned by the research team will repair online when there is damage to any SME
4. Design of an online business that is still made in the form of local genius getting a lot of feedback from respondents include the homepage image should represent all of SMEs are included in the website. Each category motif local knowledge should have some choice of color and size variations. Clear descriptions and illustrate the history of the area as well as the advantages that add to the uniqueness motive, information about batik SMEs should also be clearly and consumers are not confused because it uses the concept of e - mall. The revised design based on the input of respondents uploaded by Address : [www / eastjavabatik](http://www/eastjavabatik)

References

- Celuch, K., S. Goodwin, dan S. A Taylor, 2005, Understanding Small Scale Industrial User Internet Purchase and Information Management Intentions: A Test of Two Attitude Models, *Industrial Marketing Management*, XX, XXX-XXX.
- Cheung, C.M.K., Chan, G.W.W., dan Limayem, M., 2005, A Critical Review of Online Consumer Behavior: Empirical Research, *Journal of Electronic Commerce in Organization*, Volume 3, Nomor 4, pp 1-19.
- Cheung, Christy M. K., Lei Zhu, Timothy Kwong, Gloria W.W. Chan dan Moez Limayem, 2003, Online Cunsomer Behavior: A Review and Agenda for

Future Research, *Information Systems Department*, City University of Hong Kong, Hong Kong, pp 194-218.

Chen, L., M. L. Gillenson, dan D. L. Sherrel, 2002, Enticing Online Consumers: An Extended Technology Acceptance Perspective, *Information & Management*, Volume 39, pp. 705-719.

Donat, Elisabeth, Roman Brandtweiner, dan Johann Kerschbaum, 2009, Attitude and the Digital Divide: Attitude Measurement as Instrument to Predict Internet Usage, *Informing Science: the International Journal of an Emerging Transdiscipline*, Volume 12.

Fishbein, M., 1967, A Behavior Theory Approach to the Relations between Beliefs about an Object and Attitude toward the Object, dalam Fishbein, M. (Ed.), *Readings in Attitude Theory and Measurement*, New York, Wiley, pp 389-400.

Featherman, B., D. Howe, dan P. Kahnn, 2001, *Trust Online*, *Communications of the ACM*, Volume 43, Nomor 12, pp. 34-40.

Gefen, David dan Detmar W. Staurb, 2004, Consumer trust in B2C e-Commerce and the importance of social presence: experiments in e-Products and e-Services, *The International Journal of Management Science*, Omega 32, pp 407-424.

Huang, M. H., 2005, Web Performance Scale, *Information and Management* 42, pp. 841-852.

Huang, Shan-Yan, ci-Rong Li dan Chen-Ju Lin, 2007, "A Literature Review of Online Trust in Business to Consumer E-Commerce Transactions, 2001-2006", *Information Systems*, Volume VIII, Nomor 2, pp 63-69.

Heijden, Hans van der, Tibert Verhagen dan Marcel Creemers, 2003, Understanding online purchase intentions: contributions from technology and trust perspectives, *European Journal of Information Systems* 12, pp 41-48.

Hartini, 2006, Peningkatan Kinerja Melalui Diversifikasi Produksi Produk Seni, LP2M Universitas Airlangga, Surabaya.

Jarvenpaa, Sikka L., Noam Tractinsky dan Lauri Saarinen, 1999, Consumer Trust in an Internet Store: A Cross-Cultural Validation, *Journal of Computer-Mediated Communication*, Volume 5, Nomor 2.

Jarvenpaa, Sikka L., N. Tractinsky dan M. Vitale, 2000, Consumer Trust in an Internet Store, *Information Technology and Management*, Volume 1, Nomor 1-2, pp 45-71.

Kotler, Philip and Kevin Lane Keller. 2006. *Marketing Management*. Twelve Edition. Upper Saddle River New Jersey: Pearson Education.

Kotler, Philip dan Kevin Lane Keller, 2006, *Marketing Management*, Edisi 12e, New Jersey: Prentice Hall.

- Kotler, Philip, 2000. *Marketing Management*, The Millenium Edition, New Jersey: Prentice-Hall.
- Kotler, Philip. 2000. *Marketing Management*. The Tenth Edition, New Jersey : Prentice Hall Internationl, Inc.
- Li, Na dan Pin Zhang, 2005, What Makes Customers to Shop Online?, in Customer Relationship Management, *Series of Advances in Management Information Systems*, M. E. Sharper Publisher, School of Information Studies, Syracuse University.
- Lumsden, J. dan Mackay L., 2006, How Does Personality Affect Trust in B2C e-Commerce?, *The Proceedings of the 8th International Conference on Electronic Commerce (ICEC'2006)*, National Research Council of Canada, Canada.
- Porter, J. P., dan M. J. Ryan, 1993, An Investigation of Perceived Risk at the Brand Level, *Journal of Marketing Research*, Volume 13, pp. 184-188.
- Rahayu, 2010, Keterbatasa Sistem Pemasaran Online IKM Batik Di Jawa Timur, LP2M STIESIA, Surabaya.
- Sammie. S and Hart Sanduw, 2003, Roles and Consequences of Electronic commec in global marketing, *handbookof research in international marketing* pp 336-357
- Schiffman, Leong G., dan Leslie Lazar Kanuk, 2007, *Consumer Behavior*, Pearson Education International, New York, Prentice Hall.
- Shim, S., M. A. Eastlick, S. L. Lotz, dan P. Warrington, 2001, An Online Pre-purchase Intentions Models: The Role of Intention to Search, *Journal of Retaling*, Volume 77, pp. 397-416.
- Usman, M. Nadjib, 2013, Pengaruh Desain *Website* Produk Batik Terhadap Niat Beli Konsumen, LP2M STIE PERBANAS Surabaya
- Yahya, 2010, Batik Tanpa Identitas Di Kediri, LP2M STIESIA, Surabaya
- Zeitthaml, V.A. and M.J. Bitner, 2002. *Service Marketing*, New York : McGraw Hill. www.marketingpower.com

Pak Nadjib OIJR 2015

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14
