

Increasing the Regional Economy Through Sekar Lathi (Research on UKM Batik Sekarlathi in Yogyakarta)

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Abstract

The purpose of this research is to examine the effect of marketing intelligence on purchasing decisions, to examine the effect of marketing mix on purchasing decisions, and to examine the effect of marketing intelligence and marketing mix on purchasing decisions at Batik Sekarlathi Yogyakarta. This type of research is a quantitative descriptive study. The population of this sresearch were all consumers of Batik Sekarlathi Yogyakarta using Incidental Sampling as many as 90 people. The data collection method in this research is a questionnaire. The data analysis method used in this research is descriptive analysis method and multiple linear regression analysis. The results of the F test show that the Marketing Intelligence and Marketing Mix variables significantly influence the Purchasing Decision of Batik Sekarlathi consumers. The Adjusted R2 value of 0.763 shows that Marketing Intelligence and Marketing Mix Affect Purchasing Decisions by 76.3% and the remaining 23.7% is explained by other variables not explained in this study.

Keywords: Marketing Intelligence, Marketing mix, Purchasing decisions, SMEs.

Introduction

Marketing management experts claim that the success of a company is largely determined by the strategy adopted (Kotler, 2017). The concept of intelligence in marketing is part of a business strategy that is presented as an effort to improve competitiveness and the strategic programming process (Fifield, 2007; 2008). To increase the competitiveness of companies and process their strategic plans, companies, especially SMEs, require intelligence or understanding of their marketing activities (Natalia, 2013). Marketing intelligence is a tool to prevent uncertainty and inability of companies to environmental changes and to reduce and minimize companies exposed to threats (Andersen, 2012). The concept of intelligence and marketing is increasing in the scientific space of universities and the business world because marketing intelligence is one of the important strategic agents of an organization and is the key to success in the market (Loch, 2011).

The significant changes that are taking place in today's business environment are felt to be so fast and increasingly uncertain. Advances in information technology and the increasing number of SMEs (Small and Medium Enterprises), especially traders in the Yogyakarta Bringharjo Market have resulted in increasingly fierce competition for profits and are very competitive (Johan & Desy, 2019). This can be seen from the total number of Malioboro traders from the East and West sides, totaling 917 traders (consisting of batik and non-batik traders such as Yogyakarta-specific accessories). They are divided into 26 groups, from 916

traders in Malioboro, Yogyakarta, 50 percent of whom sell batik (Central Bureau of Statistics for UKM Yogyakarta, 2019). Altogether there are around 458 traders on the eastern and western sides of the Malioboro area, Yogyakarta. This UKM in Malioboro area is under the auspices of the Yogyakarta Tridarma Cooperative Association which is directly protected by the Yogyakarta City Government

Marketing strategy is the key to sustainable entrepreneurial business growth (Andrew, 2010). Marketing strategy itself is a popular term in 1970 and in 1980 when companies began to realize that every business owner needed information on which to base decision making (Fifeld, 2007). The concept of intelligence is one of the business strategy tools that are presented to improve cognitive abilities in making decisions (McDowell, 2009). Marketing intelligence is a tool for managers in handling information for managers in a changing and competitive environment and to reduce and minimize any threats to business (Sheen, 2017). Marketing intelligence is useful for managers to answer what business trends are like in high competition. In the marketing concept, organizations will be successful if they are consistent in dealing with customer needs, and adapt to what consumers want so that they are better than its competitors (McDowell, 2009). Marketing Intelligence is a tool that can be used by managers in providing information related to product trends, consumers, and competitors. With increasing competition, very competitive business certainly has an impact on business strategy, as well as the number of unpredictable customer requests forcing business owners to rethink their marketing process. Marketing strategy is the key to sustainable entrepreneurial business growth (Johan, 2019).

Apart from marketing intelligence capabilities, companies must also provide a marketing mix which is of course always updated to meet consumer needs (Margarita, 2016). This marketing mix includes product, promotion, price, and place in order to achieve target market achievement. Kotler (2017; 2016) states that the marketing mix is a solution to achieve the goals of the company. The consumer's decision to make a purchase is a result that has been formulated by the company for a product that is adapted to. Especially in buying clothes, consumers will be greatly influenced by factors such as attitudes, store attributes, external factors, and product attributes (Cravens et al., 2013). With increasing competitive business as well as unpredictable consumer demand, forcing SME owners to rethink their marketing strategies. Given the decline in sales in the last three years that occurred in Batik Sekarlathi Yogyakarta, Bringharjo. This study will examine the extent of the influence of marketing intelligence and marketing mix that have an impact on consumer purchasing decisions on Batik Sekarlathi Yogyakarta Bringharjo. The following table shows the financial statements for the last three years:

Table 1. Sales Data of Quinna Batik 2016-2018

Year	Sales Turnover	Percentage Decreased
2017	1.020.000.000	-
2018	850.000.000	20%
2019	670.000.000	23%

Source: Batik Sekarlathi financial data (2019)

The concept of intelligence is considered as a process that enhances competitiveness and strategic programming (McDowell, 2009). Sheen (2017) reveals that now that the third wave of change in the business world has begun, there is no doubt that the basis of marketing intelligence will be very important in business competition. Organizations are faced with changing environments that are different and change occurs so rapidly that if organizations do not prepare themselves, their survival will be threatened. New tools that are helping

organizations achieve a suitable place in today's environment are the use of marketing intelligence and the application of the product mix.

Based on this description, the problems to be discussed in this study are:

- 1) Does marketing intelligence affect Purchasing Decisions?
- 2) Does the marketing mix consisting of the 4Ps (product, price, place, promotion) affect consumer purchasing decisions?
- 3) Do marketing intelligence and Marketing Mix influence consumer purchasing decisions?

Literature Review

Marketing Intelligence

Marketing intelligence is a strategy that can be carried out by all companies to obtain information by collecting data and analyzing the market in determining current trends. The search for information obtained is then processed in a marketing information system to produce a strategic decision for the company. McDowell (2009) argues that this information search is termed an intelligence activity. Initially this activity was implemented by the military with its intelligence ability to seek information related to opponents or enemies, or as a problem solver in an agency or institution (Willem et al., 2008). To produce good information regarding product variants, product quality, product prices, distribution, promotion and competitor marketing intelligence is a tool that managers can use in decision making (Sheen, 2017). Activities carried out in marketing intelligence are by looking for daily relevant information, and collected specifically for the purpose of being accurate and accurate in decision making.

In its application, marketing intelligence certainly requires cognitive abilities so that the information obtained is relevant and accurate so that it can solve cases in the field well (Zachary et al., 2017). According to McDowell (2009), marketing intelligence is very important for organizations in marketing research, because without marketing intelligence the company seems to market its products in the dark. Several companies have failed to market their products due to a lack of information that touches the most basic parts, namely information related to product trends, consumer behavior, and also activities carried out by their competitors (McDowell, 2009). But apart from the advantages, even intelligence marketing has a very crucial obstacle in terms of human resources. Because this activity is in fact part of the sales and marketing staff which aims to prevent the company's inability to change the environment and to reduce and minimize risks in corporate decision making (Maccoby, 2011).

Intelligence Marketing Concept

The concept of marketing intelligence is a concept based on marketing information that is considered a continuous effort to improve the cognitive abilities of the strategy formulation process. Marketing information itself takes the form of a systematic collection and analysis of publicly available information about consumers, competitors and market developments (Kotler & Armstrong, 2017). Faryabi et al. (2013) noted that successful companies must take an outside view of their business. In fact, in a market environment where a business operates, there is an opportunity that if managers dig up this information it will be profitable for the business. The concept of using marketing intelligence is an important understanding to continuously monitor and adapt to the business environment. For companies that fail to understand the environment, the risk is that they will be very far behind their competitors. Jim (2017) adds that several facts have increased the need for marketing intelligence because companies need information that is national and international in determining product trends, so companies need a lot of information about the bigger market.

Therefore, intelligence marketing is needed in strategy because the quality of marketing information affects the effectiveness of decision making. Maccoby (2011) mentions three processes related to this, (1) Companies must be able to understand the current situation that might present a threat or opportunity for the organization. (2) Conceptualizing the future state by involving the resources to implement it. (3) Developing alliances to obtain information. The model mentioned by Maccoby will lead to a conclusion, namely as strategic planning (Natalia, 2013). However, the process must be structured and systematic, which demands the; (1) data collection, (2) receiving current relevant data, (4) analyzing, (5) directing, (6) implementing later, (7) evaluating (McDowell, 2009). The seven processes will lead to the conclusion that consumers are expected to take purchase actions for the products offered. This is in accordance with the research of Parmana et al. (2019), Johan and Dessy (2019) which states that marketing intelligence can be used as a means of providing marketing mix and influencing purchasing decisions.

H1. Marketing intelligence influences purchasing decisions

Marketing Mix

After revealing marketing intelligence as a means of searching for information, then we will discuss the Marketing Mix. Marketing mix (MM) can be defined as a group of controllable variables that organizations can use to influence buyer responses to the products or services offered (Kotler, 2016; 2017; 2019). Marketing Mix as a term used to describe the combined tactics used by a business to achieve its objectives by effectively marketing its products or services to a specific target customer group. According to this definition, we can define the marketing mix as a combination of various marketing decision variables, strategies, and tactics used by organizational management to market goods and services.

Marketing experts claim that the marketing mix has an important role in influencing consumers to buy a product that is offered. The marketing mix elements consist of all the variables that the company can control to satisfy all its customers. According to Cherniece (2017), marketing mix is a strategy to mix marketing activities in order to find the maximum combination so as to produce the most satisfying results. Meanwhile, Zeithaml and Bitner (2018) states that the marketing mix is the elements of a company organization that can be controlled by companies in communicating with consumers. And according to Kotler and Armstrong (2017), marketing mix is a good marketing tool, namely a set of products, prices, promotions, and distribution combined to produce the desired response in the target market. In the marketing mix there is a marketing tool known as the 4P, namely; product (product), price (price), promotion (promotion), and place (place or distribution channel). Jindal et al. (2020), Noviyanti and Suryani (2020) suggest that the marketing mix affects purchasing decisions, especially on the retail format feature.

H2. Marketing mix has an effect on purchasing decisions

Buying decision

Purchasing decision is an integrated process that combines knowledge to evaluate two or more alternative behaviors and select one of them. In making purchasing decisions, consumers can form six sub decisions; product, brand, dealer, quantity, time and method of payment. According to Kotler and Keller (2017), purchasing decisions are the stage of evaluating consumers to form preferences between the most preferred brands. A marketer needs to understand how the buying decision process takes place. The decisions taken by consumers will be closely related to what they buy, including products or services, the number of purchases, where to buy, when to buy them and how to buy (Zeithaml et al., 2018). Decisions are defined as the selection of available options (Kotler, 2017). Meanwhile,

decision making is the process of choosing an alternative from the available options. That is a decision must be based on choice, and not called a decision if the consumer does not have or does not buy (Lovelock & Chatterjee, 2018).

In this case, purchasing decisions are often based on consumer behavior which is the study of the processes involved when individuals or groups choose, buy, and use a product or service. A purchase occurs when consumers have a need or as a means of a problem that must be met. In practice, when a consumer is about to make a purchase, he must first collect and process information, evaluate it and choose the best option to solve problems or make purchase choices (Stone & Desmond, 2007). According to Kotler (2017), the consumer purchasing decision model refers to the various orientations and perspectives that consumers use to approach the market and why they behave. Consumer refers to the orientation of the purchasing decision process and overall buyer behavior. Various models have been proposed by a number of researchers to understand and explain consumer purchasing decisions for all types of products / services.

The use of products is often very attractive for marketers to be able to formulate the best position for the product or how marketers can encourage increased consumption. The purchase decision will determine the attitude in the repurchase. Consumers are faced with several product choices before deciding to make a purchase. There are five stages at the level of the consumer purchasing decision process model according to Kotler (2017; 2019) and Zethaml (2018) problem recognition, information seeking, alternative evaluation, purchase decisions and post-purchase behavior. describes purchasing decisions as an integrated process that combines knowledge to evaluate the behavior of two or more alternatives and select one of them. When buying a product, consumers not only buy as a commodity, but they also look for value in the product itself that can satisfy both brand and quality (Ataman et al., 2007). Organizations must be flexible and move quickly to anticipate opportunities and threats, and provide the means to support operational objectives with the perspective of the results or an overview of a product, so that this has a direct impact on consumer purchasing decisions, this is in accordance with the research of Hwang et al. (2015), David and Delbert (2015), David and Michael (2014).

H3. Purchasing decisions are influenced by marketing intelligence and the marketing mix

Methodology

This type of research uses quantitative methods with probabilistic characteristics using multiple regression analysis. The method used to analyze the data is multiple linear regression with a series of instrument tests and hypothesis testing. The sampling technique in this study is the Non Probability Sampling technique, which is an incidental sampling technique. According to Malhotra (2012), Incidental Sampling is a sampling technique based on chance, that is, anyone who happens to or happens to meet a researcher can be sampled, if it is seen that people who happen to meet are suitable as samples. data source. The data collection methods used in this study were observation, interviews and questionnaires. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something to be measured. Significance test is done by comparing the value (r) count with (r) table.

Results and Discussion

The findings indicate that information sharing has a significant relationship with purchasing decisions. Information sharing has a positive and significant relationship to customer decisions, so the hypothesis is accepted. This finding is supported by research () that the company's ability to apply marketing intelligence and product mix can contribute to

consumer purchasing decisions when they trust and have a bond with the company. The validity and reliability tests are as follows.

Table 1. Validity Test Results

Variable	Question	r Count	r Table	Description
Marketing Intelligence (x1)	X1.1	0,756	0.05	Valid
	X1.2	0,749	0.05	Valid
	X1.3	0,659	0.05	Valid
Marketing Mix	X2.1	0,782	0.05	Valid
	X2.2	0,825	0.05	Valid
	X2.3	0,782	0.05	Valid
	X2.4	0,726	0.05	Valid
	X2.5	0,842	0.05	Valid
	X2.6	0,742	0.05	Valid
Buying decision	Y1.1	0,809	0.05	Valid
	Y1.2	0,871	0.05	Valid
	Y1.3	0,833	0.05	Valid
	Y1.4	0,797	0.05	Valid

Based on the results of validity measurements, the value of data validity obtained in this study has Sig. Alpha level ≤ 0.05 level means that the research variable is valid.

Table 2. Reliability Test Results

Variable	Cronbach Alpha (>0,70)	Information
Marketing Intelligence (x1)	0,736	Reliable
Marketing Mix	0,873	Reliable
Buying decision	0,845	Reliable

Based on Table 2, it can be seen that the Cronbach Alpha value of all tested variables is above 0.70, it can be concluded that all variables in this study are declared reliable.

Table 3. Multiple Linear Regression Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.198	1.070		.185	.854
Marketing Intelligence	.236	.112	.156	2.094	.039
Marketing Mix	.533	.052	.758	10.190	.000

a. Dependent Variable: Purchase Decision

From the table above, the regression equation that appears is:

$$Y=0,198 + 0,236 X1 + 0,533 X2 + e$$

Constants: The constant value is 0.198. This means that if Marketing Intelligence (X1) and Marketing Mix (X2) are 0, then the Purchase Decision (Y) is 0.198.

Marketing Intelligence: 0.236. Is the regression coefficient value of the Intelligence Marketing variable on the dependent variable (Purchase Decision)? This means that if the other independent variables remain (constant) and Intelligence Marketing has increased by one unit, then the Purchasing Decision will increase by 0.236 or 23.6%. The coefficient is positive, meaning that intelligence marketing and purchasing decisions have a positive relationship. An increase in Marketing Intelligence will result in an increase in Purchasing Decisions.

Marketing Mix: 0.533. Is the regression coefficient value of the Marketing Mix variable to the Purchasing Decision variable? This means that if the other independent variables remain (constant) and the Marketing Mix has increased by one unit, the Purchasing Decision will increase. The coefficient is positive and there is a positive relationship between the Marketing Mix and the Purchasing Decision, the higher the Marketing Mix, the higher the level of the Purchasing Decision.

Table 4. Determination Coefficient Test Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.768	.763	0,956

Based on the table above, it can be concluded that the Purchasing Decision can be explained by the Marketing Intelligence and Marketing Mix variables of 0.763 or 76.3%, while the remaining 23.7% is influenced or explained by other variables not included in this study.

Table 5. T Test Results

	The coefficient	t Count	Significance	Probability
Constant	0,198			
Marketing Intelligence	0,236	2,094	0,039	0,05
Marketing Mix	0,533	10,190	0,000	0,05

Based on the table above, it is known that the significance value (Sig.) of the Intelligence Marketing variable (X1) is 0.039. Because the sig. 0.039 < 0.05 probability, and it is known that the t table value is 1.987, while the t value of the Intelligence Marketing variable is 2.094. because the t value is 2.094 > t table 1.987, so it can be concluded that H1 or the first hypothesis is accepted. This means there is the influence of Intelligence Marketing (X1) on Purchasing Decisions (Y). The Marketing Mix variable (X2) is 0,000. Because the sig. 0,000 < 0.05 probability, and it is known that the t table value is 1.987, while the t value of the Marketing Mix variable is 10.190, so it can be concluded that H2 or the second hypothesis is accepted. This means that there is an effect of Marketing Mix (X2) on Purchasing Decisions (Y). The results of this study are supported by research conducted by Jindal et al. (2020) which states that Marketing Mix has an influence on Purchasing Decisions.

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	263.534	2	131.767	144.038	.000 ^a
	Residual	79.588	87	.915		
	Total	343.122	89			

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- a. Predictors: (Constant), Marketing Mix, Marketing Intelligence
 - b. Dependent Variable: Purchase Decision

Based on the table above, it is known that the significance value (Sig.) Is equal to 0.000. Because the sig. 0,000 <probability 0.05, and it is known that the F table value is 3.10, while the calculated F value is 144.038. because the value of F count 144.038> t table 3.10, so it can be concluded that this hypothesis is accepted. This means that there is a simultaneous influence of Marketing Intelligence (X1) and Marketing Mix (X2) on Purchasing Decisions (Y).

Conclusion

From the results of the F test analysis (simultaneous testing), it can be seen that the marketing intelligence variable and the marketing mix simultaneously influence the purchasing decision of Sekarlathi Batik. So that all the dimensions and indicators of the marketing intelligence variable and the marketing mix must be combined appropriately in order to have an overall effect on purchasing decisions on Quina Batik. Based on the results of this study also obtained the results of the t test (partial testing) carried out on the marketing intelligence variables and the marketing mix, where the results of the marketing intelligence variable and the marketing mix have a partial effect on purchasing decisions on Quina Batik. From the test results of the coefficient of determination, it can be seen that the result of the Adjusted R Square is 0.763, which means that the independent variables in this study have an effect of 76.3% on the dependent variable. However, when viewed from the value of R is 0.876, this indicates that the independent variables have a strong enough correlation to the dependent variable.

Managerial Implications

The results of this study are expected to be able to provide an overview for planning programs and strategies for companies, especially for SMEs, education, organizations and institutions. In planning an effective marketing program and strategy, it must take into account the factors of intelligence and understanding of the product so that it can provide competitive strength to the competition which will make marketing strategies more effective and increased purchasing decisions.

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