

Batik Artisans Empowerment Model through Customer Relationship Management Approach Based on Information Technology

Muslichah Erma Widiana*

Management Department, Bhayangkara University Surabaya, Jl Ahmad Yani 114, Surabaya 60231, Indonesia

* E-mail of the corresponding author: widiandra08@yahoo.co.id

Abstract

Business people trying to create a customer loyalty that customers remain loyal to products that have been used so far. Customer Relationship Management is a consumer behaviour modification and learning all the time and every interaction, treatment of customers and build strength between consumers and companies. Business strategy by using Customer Relationship Management related to a lot of other business strategies such as technology and relationship benefits. Technology Acceptance Model or results provide information about the interests and behaviour of users in the system receiving the information technology systems is one of the key factor of successful using technology in order to increase the sales. This study is to analyse the marketing strategy of the batik industry around several location in East Java, Indonesia. The key purpose of this study is to identify and creating a new hybrid model which can help the batik SMEs to increase their sales through online purchasing using a right marketing strategy.

Keywords: Technology Acceptance Model, Customer Relationship Management, Marketing strategy

1. Introduction

Business people trying to create a customer loyalty that customers remain loyal to products that have been used so far. Creation of customer loyalty because customers were satisfied with the service provided as well. Business people provide best service to its customers, so that customers are still loyal and in love with products offered or that have been used by customers over the years. Customers feel satisfied if all their needs are always well served, with customer satisfaction will give effect to the product that is being offered or used.

To gain more customers and retain potential customers do attempt Customer Relationship Management (CRM). Basically Customer Relationship Management is to manage customer relationships through the ability of the company to improve the performance of the company in the future. CRM can also be used to develop a comprehensive business strategy in a company that enables companies to effectively manage relationships with customers. Using a CRM system a company can concentrate on keeping customers by collecting all forms of customer interaction either by phone , e - mail , feedback on the site or the outcome of talks with the sales and marketing staff . Customer Relationship Management is a consumer behaviour modification and learning all the time and every interaction, treatment of customers and build strength between consumers and companies (Yahya , 2010) .

Investment is a key technology Customer Relationship Management provides a number of benefits, including a better understanding of the customer , increased access to customers and customer interactions more effective (Buttle , 2004: 120) . Relational benefits is in accordance with the online environment. Relationships with different computers with relationships with people. Relational benefits play an important role in transactions via the Internet.

Business strategy by using Customer Relationship Management related to a lot of other business strategies such as technology, relationship benefits. Technology Acceptance Model or results provide information about the interests and behaviour of users in the system receiving the information technology systems. Technology Acceptance Model only explains the reason why the users to use the system believes that the system is easy to use (perceived ease of use) and useful (perceived usefulness).

Related to the importance of relational benefits gained consumer in the transaction over the Internet, research Rebecca Yen (2003) states effect on relational technology benefits (confidence benefits and social benefits). Confidence benefits provide strategic direction to understanding the needs of consumers will trust and reduced

anxiety , Social benefits are relevant to the section marked by emotional connection and personal customer recognition by employees , customers own familiarity with the employees , and the creation of friendship between customers and employees (Thorsten et al . , 2002) . A simple and useful technology will increase the usage intention marketing outcomes.

Indonesia's cultural heritage such as batik products. However, Indonesian batik recent years to face tough competition with the production of a number of countries such as Malaysia, Thailand, Singapore, South Africa and Poland. Moreover, they use more sophisticated technology capable of producing batik up quickly and the price is cheaper. According to the Indonesian Batik Foundation chairman Ginandjar Kartasasmita Jultin Indonesian Batik has been worked up by the Micro, Small and Medium Enterprises as the mainstay among national textile commodities that increase incomes.

Micro, Small and Medium Enterprises in East Java batik found in 24 districts out of 38 districts as a whole is in East Java . However, there are only 6 districts that market their products through the internet. The six counties that sell batik products by utilizing information technology are: Surabaya, Bangkalan , Pamekasan , Surabaya, Malang , and Jombang . Based on data from the Department of Cooperatives drawn from 24 centres of Micro, Small and Medium Enterprises in East Java batik to batik sales turnover data are presented beginning in 2005-2010.

To be able to implement the business strategy by using Customer Relationship Management to empower batik makers , need to know the problems that occur in the field largely based on observations at the batik craftsmen as follows : (1) batik makers do not have their own outlets and batik channelled to dealers so as income is only enough for their own cost of capital and day-to- day cannot get a greater profit , (2) the craftsmen who have a fixed distributor , using direct marketing through a distributor then sold at wholesale ; (3) for the batik craftsmen who not have a fixed distributor , they use a social networking or blog to promote and sell their products . However batik makers who use online way, only perfunctory, meaning they do not update the products and prices, so if there are consumers who look old are not impressed new product updates.

Based on the focus of the research is taken and the proposed formulation of the problem, the purpose of this study is:

1. Identify factors that influence SMEs to adopt internet technology in Sidoarjo batik SMEs and Madura district.
2. Assessing the adoption of the Internet is based on the concept of *Customer Relationship Management* in Sidoarjo batik SMEs and Madura district.
3. Assessing the adoption of the Internet is based on the concept of the *Technology Acceptance Model* in Sidoarjo batik SMEs and Madura district.
4. Examine the relationship between the concept of Customer Relationship Management and Technology Acceptance Model in Sidoarjo batik SMEs and Madura district.
5. Formulate a conceptual model based Customer Relationship Management and the Technology Acceptance Model to be implemented by employers in Sidoarjo batik and Madura District in the future.

This study is expected to provide the following benefits:

1. Practical benefits for SMEs in Sidoarjo batik and Madura districts can implement the concept of Customer Relationship Management to increase customer loyalty.
2. Practical benefits for SMEs in Sidoarjo batik and Madura district can conduct online marketing activities in accordance with the Technology Acceptance Model concept to enhance customer loyalty.
3. Theoretical benefits, this research is expected to contribute to the development of new concepts based Customer Relationship Management and the Technology Acceptance Model.

2. Literature Review

2.1. Customer Relationship Management (CRM)

Sheth , Parvatiyar and Shainesh (2002:10) stated that the concept of customer relationship management (CRM) is derived from the concept of relationship marketing (Relationship Marketing) is a concept whereby companies engage with stakeholders of the company . On the concept of Customer Relationship Management (CRM) company only emphasizes on the customer because in this case the customer is considered as the

spearhead of an effort. Along with current business developments, the role of consumers continue to experience changes, where today's consumers are increasingly engaging in effective communication and explicit with the company as a producer of products or services. Even more importantly, this time the communication is no longer controlled by the company. Individual consumers can know that he is dealing with a company of their own knowledge or from the knowledge of its other customers. CRM program is of three types, namely Continuity Marketing, One to One Marketing and Partnering Program. The three programs have different forms for the end user, distributor customers, or business to business customers.

Customer relationship management is not just a concept but a business strategy that aims to understand, anticipate and manage the needs of the organization's customers, both current customers and potential customers. Customer relationship management is a dynamic strategic change, process, organizational, and technical organizations do in order to manage the company better and more in tune with customer behavior (Brown, 2000) .

Three scope of customer relationship management by Buttle (2004) (1) strategic , (2) operational , (3) analytical . Each of these can be explained as follows:

2.1.1. Strategic

Customer relationship management is strategically focused on efforts to develop a culture of customer-oriented business or customer - centric. This culture is intended to win the hearts of consumers and maintain their loyalty by creating and delivering value to customers who outperform competitors. Culture was reflected in the behaviour of the helm of the company, the design of formal systems in an enterprise environment and a variety of myths and stories that circulated within the company. In the customer-oriented culture, all resources will be allocated to support all measures that can increase the value of the company in the eyes of customers, as well as a reward system that can increase positive behaviours that lead to employee satisfaction, and improved collection systems, dissemination, and application information about its customers to support the various activities of the company.

2.1.2. Operational

Customer relationship management is more focused on the automation of operational ways the company in touch with its customers. Such automation include: (1) marketing automation is the use of technology in marketing processes. , (2) by applying a force automation technology in managing the company's sales activities , (3) automation of services , enterprises can perform the function of service to customers automatically, either through a call centre or contact centre owned or , through the facilities of the company's website , even through direct face to face with the customer service representatives in the field .

2.1.3. Analytic

Customer relationship management is the development of systems based on analytical data and information about the consumer. Customer data can be obtained from the information centre or a data bank of every relevant company, the sales data that contains the history of the purchase of goods or services by customers, the financial data that contain your payment history or credit score, the data consumer response to the marketing campaign advertising, loyalty scale data products, and data services. Furthermore, the internal data can be supplemented with external data, such as data about the data geodemografis and consumer lifestyle provided by business intelligence organizations.

2.2 Technology Acceptance Model

Technology Acceptance Model, hereinafter referred to TAM was adapted from the Theory of Reasoned Action (TRA) (Fishbein and Ajzen 1975, Ajzen and Fishbein 1980), to establish a causal relationship between beliefs, user attitudes, intentions and actual behaviour. TAM was first introduced by Davis in 1986. TAM main goal as stated by Davis is to explain the factors that influence the acceptance of information technology with a broad range of information technology and population of users. In the Technology Acceptance Model, the actual use of the system is determined by the behavioural intention to use, which in turn is determined along with the attitude towards the use and perceived usefulness. Perceived ease of use is a direct determinant of the perceived usefulness and the direct and indirect determinants of the attitude (Davis, Bagozzi and Warshaw 1989). This model is presented in Figure 2.2.

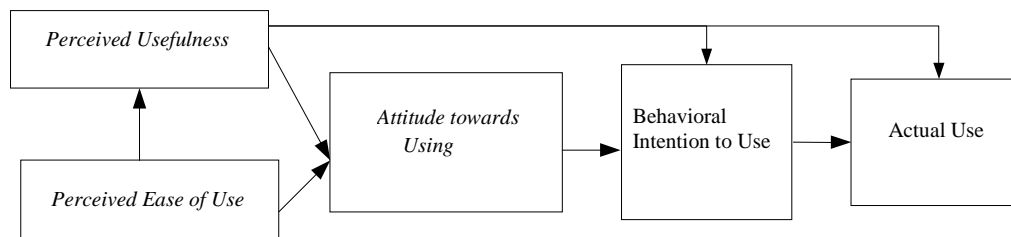


Figure 2.2. Technology Acceptance Model

Based on the figure 2.2. Technology acceptance model, perceived usefulness refers to the user's perception of the extent to which the use of such systems will improve performance and provide ease of use, belief that use of the system would be free of effort (Davis 1989). In earlier models of Davis, Bagozzi, and Warshaw (1989) also suggested that perceived usefulness and ease of use fully mediates the effects of all external variables such as individual differences, situational constraints, and system design characteristics on individuals' attitudes and usage behaviours.

2.3 Relation Benefit

Relational Benefit is defined as the benefits derived from the consumer long-term relationship of the main services (Gwinner et al., 1998) . Lovelock et al. , (2001) defines relational benefits as the total number receiving benefits due and still use the services of a service provider is reduced by the amount of the total cost either financially or not . Profits were the result of long-term engagement with service companies.

Berry and Bitner (1995) stated that published some advantages to knowing the benefits received by the customer due to a relationship with a service company. Similarly , based on a solid theoretical footing Bendapudi and Berry (1997) expressed confidence relational benefits include benefits which refers to the perception of reduced anxiety and comfort in knowing what to expect in the service encounter. Social benefits that are relevant to the section marked by emotional connection and personal recognition by customers employees , customers own familiarity with the employees , and the creation of friendship between customers and employees , as well as the special treatment that takes the form of relational benefits consumers receive discounts, fast service , or additional services individual (Thorsten and Gwinner , 2002)

3. Research Method

3.1 Research Type

A qualitative approach was taken because in this study the target or object of the study is limited so that the data captured can be extracted as much as possible and that is not possible in this study the broadening of the research object. This study departed from the way of thinking is inductive, then deductive thinking.

This study also includes descriptive research, the type of research that simply describe, summarize a variety of conditions, circumstances or variables. In this study, are described in the concrete conditions of the object of research , connecting with one variable or variable conditions or other conditions and will further study produced a description of the object .

This type of research chosen in accordance with the purposes of research resulted in the development model of empowerment that batik artisans through customer relationship management -based approach to information technology.

3.2 Operational Variable Definition

- *CustomerRelationshipManagement*
CRM is a business strategy that is done by batik SMEs in the district of Sidoarjo regency Madura and aims to understand, anticipate, and manage customer needs.
- *TechnologyAcceptanceModel*

Acceptance of information technology which has been used by the batik SMEs in the district of Madura and Sidoarjo online marketing activities

- *RelationalBenefit*

Relational benefits are benefits provided by the batik SMEs in the district of Sidoarjo in Madura and online marketing activities based on building long-term relationships with consumers.

3.3 Data Collection Techniques

Basically this research in data acquisition must be adapted to the problems and situations as well as existing social conditions. So that the data obtained can be accounted for validity. Data collection techniques used in this study were (Sugiyono, 2012): structured observation. Structured observations that have been designed systematically, about what will be observed, when and where it is. So if researchers conducted structured observations know for sure about what variables will be observed. Guidelines for structured interview or closed questionnaire can be used as guidelines to make observations. Observation in this study conducted in Sidoarjo batik craftsmen and Madura district. Variables to be studied is the customer relationship management, technology implementation models and relational benefits.

3.3 Populations and Samples

Entire population in this study in Sidoarjo batik craftsmen and Madura. The sample was batik craftsmen in both districts are using online marketing either through social media, blogs and the web to promote and sell their products.

4. Research Result and Discussion

4.1. Overview of Batik SMEs

Jetis batik business from year to year continue to survive today. Unfortunately, until the beginning of 2008, the craftsmen and entrepreneurs develop business batik individually. To make it easier to market batik, Jetis youth initiative to form an association which Sidoarjo Batik Society (PBS) was officially established on April 16, 2008 aimed at developing marketing batik industry in Sidoarjo.

Madura batik in great demand and are popular with both local and international consumers. Madura batik motif has its own uniqueness to the consumer as well as the colors that seem bold. Various styles and unique motifs and free. Batik Madura possess a strong character, which is characterized by bold color free (red, yellow, light green). But seldom know that batik Madura may have more than a thousand motif and is most prominent in the market Madura batik.

The centers include centers Madura batik batik Tanjung Bumi in Bangkalan , Klampar Banyumas batik centers , Pamekasan , and Sumenep Pekandangan batik centers , personal nature of its production carried out in the unit . Madura batik centers are mostly small and medium business is done in homes. Batik activity is leisure time activities for mothers there. Madura batik entrepreneurs still maintain traditional production, which was written and processed in the traditional way.

4.2. Description of Research Result

Azizah batik is sold locally, nationally, and internationally. For a local marketing done in the area of Sidoarjo , Surabaya , and existing malls in the area . For the nationally marketed outside - outside the island of Java, such as, Makassar and Bali. While internationally, to currently market only in Japan. Besides batik Azizah also marketing it online at <http://www.batiktulis-mumtazah.com>.

Batik Rachmad only sell locally and from mouth to mouth. Rachmad batik supplies in Surabaya as its center, then from the center of Surabaya had been distributed to the affected areas on the island of Java. Also, this Rachmad Batik batik accept orders if there is order. Rachmad also supply in shops around the village and surrounding Jetis .

Batik artist pure and markets its products with outlets in royal plaza Surabaya. Distribution of batik products made with established distribution channels in Surabaya, Bandung and Jakarta.

The craftsmen Bangkalan Madura batik Tanjung Bumi more priority skills. Do not try to do that according to their sales management is too difficult to do it, because the results merely in their batik. Therefore they only leave the marketing of the product to dealers for sale to the public. So that they had enough income to capital and the cost of their own day-to-day and cannot get a bigger profit.

4.3. Discussion of Research Findings

4.3.1. Study Results Based on Customer Relationship Management, and Technology Acceptance Model

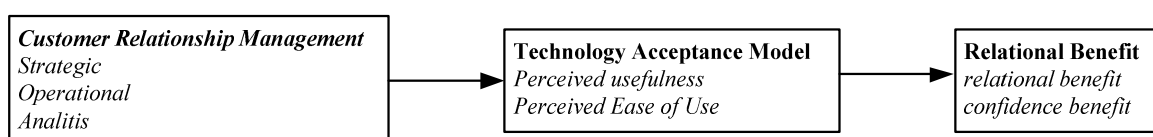
Based on the results of the study showed, in general batik craftsmen in the study area still do not understand the amount of requests and design / motif is favoured by the public. They tend to perform activities of production following the pattern / motif similar to one another craftsman with craftsman regardless of quality or design / motif that consumers want certainty, even some that cheat batik motifs from other employers. It can be concluded that the batik craftsmen do not focus on developing customer -oriented business culture, as shown by the lack of attention to quality and design or motif that consumers want certainty. Not the focus of batik craftsmen not impact all the resources allocated to support all measures that can improve enterprise value in the eyes of the customer and the absence of significant improvement in the system of collection , dissemination , and application of the customer information to support the various activities of the company . Based on a review of the scope of strategic customer relationship management , meaning the batik SMEs in Sidoarjo and Madura has not made an effort to develop a culture of performance-oriented or customer - centric customers (Buttle , 2004) .

Not to use marketing automation (Buttle , 2004) by batik entrepreneurs , problems were found is difficult to perform data exploration about customers to establish communication and provide offers to customers who are considered potential , due to the absence of a material customer database for marketing automation activities. Another constraint is that the company cannot be found to allocate financial resources to develop, manage and implement budget campaigns, communication with customers. Cannot be set to either team workflow involved in communication with customers as well as the communication medium to be used.

Technology acceptance model should provide ease of use (perceived ease of use) as the extent to which a user believes that the technology / system can be used easily and free of problems Davis et al., (1989). Systems are more often used to denote that the system is better known, is easier to operate and easier to use by users. Based on the results of observations made on several websites nor Mr blog batik entrepreneurs who promote (and sell) Jetis Sidoarjo batik found that the price of the batik listed and sold there aren't up-to-date, therefore sometimes they still using the old price and it may confuse the user. This raises not know exactly how much the total expenditure to be incurred by the consumer. If price is listed, a product specification batik fabric used has not been included, so that consumers still consider the suitability of the product price with quality batik material.

4.3.1. Proposed Conceptual Models

The proposed conceptual model is based on research findings that most of the SMEs in Sidoarjo batik and Madura district has not run optimally *Customer relationship management* in all three indicators, namely strategic, operational and analytical. So the batik SMEs cannot do the business strategy that aims to understand, anticipate, and manage customer needs. Most of the SMEs batik making sales online is not just limited to selling directly to consumers or establish distribution channels, so it requires huge cost. If only no online sales are made only limited promotion on Facebook in online media, blogs and websites that are not updated. It can be said that the batik SMEs do not utilize Customer Relationship Management which is facilitated by information technology as a business strategy that can provide long-term benefits for consumers and companies and may increase consumer confidence in online transactions. Based on the brief description, the author proposes a framework concept of *Customer Relationship Management relationships Technology Acceptance Model and Relational Benefit*.



Customer Relationship Management can be used as a basis to conduct online marketing by providing benefits to consumers (*perceived usefulness*) and the ease of online marketing activities (*perceived ease of use*) , as in the

study of Customer Relationship Management are operational indicators by performing marketing automation and automation if sales can be implemented based on online marketing Technology Acceptance Model. This is where the relationship with the *Customer Relationship Management and Technology Acceptance Model* can be built.

Online marketing based Technology Acceptance Model can be used to build long-term relationships by providing the benefits of online services to the benefit of consumers (*Relational Benefit*). Benefits can be provided to consumers with online services, among others, a clear picture of the product specifications that will be sold and the ease of online payments as well as on time delivery and specific products ordered. This is where the relationship with the Customer Relationship Management Technology Acceptance Model can be built.

5. Conclusion and Discussion

5.1. Conclusion

Based on the analysis and discussion, this study can be summarized as follows:

- The batik SMEs in Sidoarjo and Madura districts still do the majority of sales directly to the consumer, taking orders and making a limited distribution channel.
- The batik SMEs in Sidoarjo and Madura districts using online media was limited to online promotion of batik products using media such as Facebook, blogs and websites that are not updated. It can be said that online marketing is not performed optimally in accordance with the rules of online marketing right.
- The batik SMEs in Sidoarjo and Madura district has not used *Customer relationship management* as a business strategy to increase sales.
- The batik SMEs in Sidoarjo and Madura districts that did not use the online marketing *Customer relationship management* as a basis for providing benefits to consumers in their online marketing.
- The batik SMEs in Sidoarjo and Madura districts do not use online marketing that has been owned for a long-term benefit to consumers (*relational benefits*).

5.2. Discussion

- The necessity of giving to the understanding and implementation of SME in Sidoarjo batik Madura district importance and use *Customer relationship management* as a business strategy to increase sales.
- The necessity of giving to the understanding and implementation in Sidoarjo batik SMEs and Madura districts importance of using the *Technology Acceptance Model* to foster long-term relationships by providing the benefits of online services to the benefit of consumers.

References

- Bendapudi and Leonard L. Berry, 1997, Customers Motivations for Maintaining Relationships with Service Providers, *Journal of Retailing* 73 (spring): 15-37.
- Berry, 1995, Relationship Marketing of Services Growing Interest, *Emerging Perspectives*, *Journal of the Academy of Marketing Science* 23 (Fall), 236-245.
- Brown, S.A, 2000, *Customer Relationship Management: A Strategic Imperative in the World of e-Business*, Toronto: John Willey and Sons Canada, Ltd.
- Buttle, 2004, *Customer Relationship Management: Concept and Tools*, Amsterdam: Elsevier Butterworth Heinemann.
- Buttle, 2004, *Customer Relationship Management: Concept and Tools*, Amsterdam: Elsevier Butterworth Heinemann.
- Davis, Bagozzi, RP and Warshaw, PR, 1989, User Acceptance of Computer Technology: a Comparison of Two Theoretical Models, *Management Science*, Vol. 35, no. 8, pp. 982-1003.
- Gwinner, Kevin P., Dwayne D. Gremler, and Mary Jo Bitner, 1998, Relational Benefits in Services Industries: The Customer's Perspective, *Journal of the Academy of Marketing Science*, 26 (Spring), 101-114.
- Lovelock, Patterson, Walker, 2001, *Service Marketing: An Asia Pacific Perspective*, 2nd ed., Sidney, Prentice Hall.
- Sheth, Jagdish N, Atul Parvatiyar & G. Shainesh, 2002. *Customer Relationship Management: Emerging*

Concepts, Tools, and Application. New Delhi: Tata-McGrawHill.

Thorsten, Kevin P. Gwinner, Dwayne Gremler, 2002, Understanding Relationship Marketing Outcomes An Integration of Relational Benefits and Relationship Quality, Journal of Service Research, Volume 4, No. 3, February, 230-247.

Dr. Erma Muslichah Widiana Dra.Ec., MM was born in Boyolali. Devoted many activities as a teacher and as a consultant to SMEs, resource persons in the state, the Department of Cooperatives and SMEs. Now she position as Chairman of the Economics Faculty in Management Studies in Bhayangkara University which is located at Jl. A. Yani 114 Surabaya and gained his doctorate at the University of Airlangga.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Recent conferences: <http://www.iiste.org/conference/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

