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Contents:

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The Influence of Tourism Development on Life Quality in the Indigenous Tribe

Cars on Demand: How Does Car Sharing System Work? by Lihua Wu

Neuro Marketing: The New Marketing Paradigm by Dr. Lihua Wu

Thermal Conditions Exposed to Contributors in the Metalurgy Sector in the Manaus / Am Industrial Pole by Lihua Wu

Marketing Performance Analysis by Customer Relationship Marketing, Market Orientation, and The Image of Islamic Banks in Kediri, East Java, Indonesia by Lihua Wu

Effect of Auditor Independence on Audit Quality: A Review of Literature by Lihua Wu

The Role of Balanced Scorecard for Measuring Competitive Advantage of Container Terminals by Lihua Wu

Reliability, Responsiveness, Assurance, Empathy, And Tangible: Still Can Satisfy The Customer? by Lihua Wu

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Influence of Marketing Mix against Marketing Performance Through the Orientation of the Batik Small Industry Market In East Java

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Corresponding Author: Ana Komari

ABSTRACT: This research investigates the role of product characteristics as a moderator on the marketing performance of small batik businesses in the East Java Bakorwil II region. The population is a number of batik industry entrepreneurs in Bakorwil II (Bojonegoro, Lamongan, Tuban, Jombang, Mojokerto, and Kediri) East Java, and a study sample of 276 respondents. The results showed that: product, price, distribution, and market orientation influenced the small batik industry business strategy. Promotion has no significant effect on business strategy. Product, price, distribution, promotion, market orientation, and business strategy of batik product's influence marketing performance. Negative significant product characteristics moderate the relationship of business strategy to marketing performance, thus the existence of product characteristic variables has not been able to increase the influence of business strategies on the performance of small batik industry marketing in the East Java Bakorwil II region.

KEY WORD: Marketing mix, Market Orientation, Business strategy, Product characteristic

I. INTRODUCTION

The potential of East Java's wealth in the field of batik motifs and designs, as well as the unification of batik artisans in an association of batik artisans, will strengthen the position of East Java batik crafts on the world market. The variety of batik motifs in East Java, is to reflect the character of each community incorporated into the world of Mojopahit, this is certainly extraordinary that can be lifted. The commitment of batik artisans in the face of the ASEAN Economic Community, with the formation of craftsmen associations, will be increasingly motivated to better create, innovate and at the same time be able to share with friends for quality issues (http://batik.go.id, accessed Dec 12 2018). The Chair of the East Java Batik Crafters Association, said that the role of the regional government was very important in supporting the progress of the batik craft industry. Coaching and training, to ease in capital and marketing will greatly help East Java batik artisans compete in the Asian free market. The East Java Provincial Government has launched guidance on batik craftsmen, especially in terms of improving the quality of batik production, so that later batik from East Java is feasible to be displayed, both nationally and internationally. This study focused on the marketing performance of the batik industry in the Bakorwil II East Java region. Also will investigate the role of product characteristics as a moderator on the marketing performance of batik small businesses.

II. LITERATURE REVIEW AND HYPOTHESES

2.1 Marketing Mix

The marketing mix is a set of marketing tools used by companies to achieve their marketing goals in the intended target market (Kotler, 2015; Dita, 2015).

Batik Product

Batik products are illustrated fabrics that are specially made by writing or putting the night on the cloth, then the processing is processed in a certain way that has specificities (Siti, 2019; Edo, 2008; Ferdinand, 2013).

Batik Price

The price of batik is the exchange rate of a batik cloth with a unit of money agreed upon between the seller and the buyer (Siti, 2019; Kotler, 2015).

Distribution

Distribution is an activity that must be carried out by employers to channel, disseminate, transmit, and convey the goods that are marketed to consumers (Nevin, 1995).
Promotion
Promotion is a marketing activity that consists of communicating information between buyers and sellers including advertising, sales promotion, public relations, personal selling and direct marketing (Nwielaghi and Ogwo, 2013).

2.2 Market Orientation
Market orientation is a set of concrete actions that allow companies to maintain variations in market demand and supply and provide appropriate responses to various changes that occur (Jaworski and Kohli, 2006; Alan et al., 2003; Akmal and Ehsanul, 2015; Narver and Slater, 2010).

2.3 Business Strategy
Business strategy is a means of organization that is used to achieve its objectives (Cravens, 2008).

2.4 Characteristics of Batik Products
The characteristics of batik products are the different conditions of a batik product compared to its competitors which can be offered to consumers to fulfill their needs. Product characteristics contain attributes as elements of a product that are considered important by consumers (Masiswo et al., 2017).

2.5 Marketing Performance
Marketing performance is essentially an achievement achieved by the organization seen from the results of its marketing work (Day and Wensley, 2008; Murphy, 2008).

2.6 Research Framework and Hypothesis
Based on the literature review and discussion described earlier, can a research framework be developed that explains the relationship between research variables. Fig. 1 illustrates the relationship between marketing mix strategies, market orientation, business strategy, product characteristics and marketing performance.

In this study the proposed hypothesis is as follows:
1. Batik products have a significant effect on business strategy.
2. Batik products have a significant effect on marketing performance.
3. The price of batik has a significant effect on business strategy.
4. The price of batik has a significant effect on marketing performance.
5. Distribution (place) of batik products has a significant effect on business strategy.
6. Distribution (place) of batik products has a significant effect on marketing performance.
7. Promotion of batik products has a significant effect on business strategy.
8. Promotion of batik products has a significant effect on marketing performance.
9. Market orientation of batik products has a significant effect on business strategy.
10. Market orientation of batik products has a significant effect on marketing performance.
11. The business strategy of batik products has a significant effect on marketing performance.
12. Characteristics of batik products significantly strengthen the relationship of business strategy to marketing performance.
### III. RESEARCH METHODES

This study uses a questionnaire instrument. To measure data used Likert Scale, analysis using SEM. The study population was batik industry entrepreneurs in East Java Bakorwil II, and a sample of 276. Product variables used 3 indicators, namely: product quality, warranty system, and product size (Edo, 2008). Price variables use 3 indicators, namely: discounts, credit systems, and special prizes (Kotler 2015). Distribution variables, use 3 indicators, namely: number of channels, ease of distribution, and channel cooperation (Ferdinand, 2013). Promotional variables use 3 indicators, namely: Intensity of advertising, being a sponsor, and interaction between parts of marketing with customers (Nwielaghia and Ogwo, 2013; Ferdinand, 2013). Variables Market orientation uses 3 indicators, namely: information, anticipation, and cross-functional coordination (Jaworski and Kohli, 2006; Minto, 2005). The business strategy variable uses 3 indicators, namely: company objectives, competitive environment, and customer satisfaction (Andreas, 2008). Variables Product characteristics use 3 indicators, namely: product material, batik characteristics, and batik patterns (Masiswo et al., 2017). Variable marketing performance uses 3 indicators, namely: current sales volume, sales growth, and customer growth (Murphy, 2004).

### IV. PRESENTATION OF RESULT AND DISCUSSION OF FINDINGS

Descriptive data analysis of 276 respondents showed that: The characteristics of respondents based on sex were mostly men, namely 55.1% compared to women 44.9%. Characteristics of respondents based on age, it can be seen that the dominant age range of 25-40 years is 54.3%, in the age range of 17-25 years it is 23.9%. The education level of the majority of respondents was high school, which reached 60.2%, diploma education was 23.9, while the remaining graduates were 15.9%.

#### Table 1: Characteristics of respondents (N = 276)

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>152</td>
<td>55.1</td>
</tr>
<tr>
<td>Women</td>
<td>124</td>
<td>44.9</td>
</tr>
<tr>
<td>Age (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17-25</td>
<td>110</td>
<td>39.9</td>
</tr>
<tr>
<td>25-40</td>
<td>150</td>
<td>54.3</td>
</tr>
<tr>
<td>&gt;40</td>
<td>16</td>
<td>5.8</td>
</tr>
<tr>
<td>Level of education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>166</td>
<td>60.2</td>
</tr>
<tr>
<td>diploma</td>
<td>66</td>
<td>23.9</td>
</tr>
<tr>
<td>Bachelor</td>
<td>44</td>
<td>15.9</td>
</tr>
</tbody>
</table>

#### 4.1 Test of research instruments

**Validity Test**

From the result of Pearson product moment correlation, it is known that all question items in the questionnaire have a significant correlation at the error rate of 5%, so it can be said all the question items are valid.

#### Table 2: Validity and Reliability Test

<table>
<thead>
<tr>
<th>Research variables</th>
<th>Indicator</th>
<th>Question Number</th>
<th>Pearson correlation</th>
<th>Coefficient Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>X1.1</td>
<td>01-03</td>
<td>0.950**</td>
<td>0.929</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>04-06</td>
<td>0.907**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>07-09</td>
<td>0.948**</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>X2.1</td>
<td>10-12</td>
<td>0.955**</td>
<td>0.829</td>
</tr>
<tr>
<td></td>
<td>X2.2</td>
<td>13-15</td>
<td>0.947**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.3</td>
<td>16-18</td>
<td>0.955**</td>
<td></td>
</tr>
<tr>
<td>Distribution/ Place</td>
<td>X3.1</td>
<td>19-21</td>
<td>0.810**</td>
<td>0.690</td>
</tr>
<tr>
<td></td>
<td>X3.2</td>
<td>22-24</td>
<td>0.891**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X3.3</td>
<td>25-27</td>
<td>0.752**</td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>X4.1</td>
<td>28-30</td>
<td>0.945**</td>
<td>0.771</td>
</tr>
<tr>
<td></td>
<td>X4.2</td>
<td>31-33</td>
<td>0.535**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X4.3</td>
<td>34-36</td>
<td>0.863**</td>
<td></td>
</tr>
<tr>
<td>Market Orientation</td>
<td>X5.1</td>
<td>37-39</td>
<td>0.739**</td>
<td>0.622</td>
</tr>
<tr>
<td></td>
<td>X5.2</td>
<td>40-42</td>
<td>0.861**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X5.3</td>
<td>43-45</td>
<td>0.792**</td>
<td></td>
</tr>
<tr>
<td>Product Characteristics</td>
<td>X6.1</td>
<td>46-48</td>
<td>0.925**</td>
<td>0.653</td>
</tr>
<tr>
<td></td>
<td>X6.2</td>
<td>49-51</td>
<td>0.941**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X6.3</td>
<td>52-54</td>
<td>0.895**</td>
<td></td>
</tr>
<tr>
<td>Business strategy</td>
<td>Z1</td>
<td>55-57</td>
<td>0.936**</td>
<td>0.923</td>
</tr>
<tr>
<td></td>
<td>Z2</td>
<td>58-60</td>
<td>0.944**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z3</td>
<td>61-63</td>
<td>0.933**</td>
<td></td>
</tr>
<tr>
<td>Marketing Performance</td>
<td>Y1</td>
<td>64-66</td>
<td>0.925**</td>
<td>0.762</td>
</tr>
<tr>
<td></td>
<td>Y2</td>
<td>67-69</td>
<td>0.941**</td>
<td></td>
</tr>
</tbody>
</table>

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**. Correlation is significant at the 0.01 level (2-tailed).

### Reliability Test

With cronbach alpha test (α) in this research indicate that all research variables are reliable, because all of alpha coefficient value from each research variable is bigger than standardized (0,6), so that each question item in measurement instrument can be used. The value of corrected total correlation items of all question items is greater than 0.3.

### 4.2 Confirmatory factor analysis.

Table 3, shows the overall results of confirmatory factor analysis / construct validity on the research measurement model. Construct validity and reliability are two tests to evaluate the ability of measurable variables in forming latent variables, in the Table below all manifests have a loading factor with a probability of less than 0.05, meaning significant in forming latent variables. It is also seen that each latent variable has a critical ratio construct of more than 0.2, which means it comes from one dimension (unidimensional).

<table>
<thead>
<tr>
<th>Research variables</th>
<th>Relationship</th>
<th>C. R.</th>
<th>Loading Factor (λ)</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Product → X1.1</td>
<td>Ref</td>
<td>0.862</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Product → X1.2</td>
<td></td>
<td>0.641</td>
<td>0.000</td>
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<tr>
<td></td>
<td>Product → X1.3</td>
<td></td>
<td>0.518</td>
<td>0.000</td>
</tr>
<tr>
<td>Price</td>
<td>Price → X2.1</td>
<td></td>
<td>0.609</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Price → X2.2</td>
<td></td>
<td>0.990</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Price → X2.3</td>
<td></td>
<td>0.527</td>
<td>0.000</td>
</tr>
<tr>
<td>Distribution/Place</td>
<td>Place → X3.1</td>
<td></td>
<td>0.773</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Place → X3.2</td>
<td></td>
<td>0.742</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Place → X3.3</td>
<td></td>
<td>0.645</td>
<td>0.000</td>
</tr>
<tr>
<td>Promotion</td>
<td>Promo → X4.1</td>
<td></td>
<td>0.666</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Promo → X4.2</td>
<td></td>
<td>0.486</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Promo → X4.3</td>
<td></td>
<td>0.830</td>
<td>0.000</td>
</tr>
<tr>
<td>Market Orientation</td>
<td>Orient → X5.1</td>
<td></td>
<td>0.903</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Orient → X5.2</td>
<td></td>
<td>0.799</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Orient → X5.3</td>
<td></td>
<td>0.917</td>
<td>0.000</td>
</tr>
<tr>
<td>Product Characteristics</td>
<td>Karakter → X6.1</td>
<td>Ref</td>
<td>0.562</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Karakter → X6.2</td>
<td></td>
<td>0.856</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Karakter → X6.3</td>
<td></td>
<td>0.832</td>
<td>0.000</td>
</tr>
<tr>
<td>Business strategy</td>
<td>Strategi → Z1</td>
<td></td>
<td>0.593</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Strategi → Z2</td>
<td></td>
<td>0.835</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Strategi → Z3</td>
<td></td>
<td>0.764</td>
<td>0.000</td>
</tr>
<tr>
<td>Marketing Performance</td>
<td>Perform → Y.1</td>
<td></td>
<td>0.604</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Perform → Y.2</td>
<td></td>
<td>0.488</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Perform → Y.3</td>
<td></td>
<td>0.764</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### 4.3 Goodness of Fit Test

The results of processing data using a sample of 276 shows Chi-square is 157,495 with a probability of 0.061. Meanwhile, from GFI, AGFI, TLI, CFI, RMSEA and CMIN / DF were 0.925, 0.912, 0.968, 0.962, 0.037 and 0.799 all in the range of acceptable values. The results are shown in Table 4 and Fig. 2.

<table>
<thead>
<tr>
<th>Indices</th>
<th>Amounts reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>157.495</td>
</tr>
<tr>
<td>P Value</td>
<td>0.061</td>
</tr>
<tr>
<td>GFI (Goodness of Fit Index)</td>
<td>0.925</td>
</tr>
<tr>
<td>AGFI (Adjusted Goodness of Fit Index)</td>
<td>0.912</td>
</tr>
<tr>
<td>TLI (Tucker Lewis Index)</td>
<td>0.968</td>
</tr>
<tr>
<td>CFI (Comparative Fit Index)</td>
<td>0.962</td>
</tr>
<tr>
<td>RMSEA (Root Mean Square Error of Approximation)</td>
<td>0.037</td>
</tr>
</tbody>
</table>
4.4 Hypothesis testing

Hypothesis testing is based on the estimated significance value of the research model parameters shown in Table 5.

<table>
<thead>
<tr>
<th>H</th>
<th>Relationship Path</th>
<th>Path Coefficient</th>
<th>CR</th>
<th>P</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Batik products</td>
<td>Business strategy</td>
<td>0.166</td>
<td>4.950</td>
<td>0.000</td>
<td>accepted</td>
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<tr>
<td>H2 Batik products</td>
<td>Marketing Performance</td>
<td>0.118</td>
<td>3.729</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H3 Price of batik</td>
<td>Business strategy</td>
<td>-0.977</td>
<td>8.839</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H4 Price of batik</td>
<td>Marketing Performance</td>
<td>-0.319</td>
<td>4.318</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H5 Distribution</td>
<td>Strategi Bisnis</td>
<td>0.368</td>
<td>3.279</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H6 Distribution</td>
<td>Marketing Performance</td>
<td>0.292</td>
<td>4.492</td>
<td>0.000</td>
<td>accepted</td>
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<tr>
<td>H7 Promotion</td>
<td>Business strategy</td>
<td>-0.006</td>
<td>1.583</td>
<td>0.510</td>
<td>reject</td>
</tr>
<tr>
<td>H8 Promotion</td>
<td>Marketing Performance</td>
<td>0.304</td>
<td>2.246</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H9 Market Orientation</td>
<td>Business strategy</td>
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<td>2.144</td>
<td>0.005</td>
<td>accepted</td>
</tr>
<tr>
<td>H10 Market Orientation</td>
<td>Marketing Performance</td>
<td>0.823</td>
<td>8.126</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H11 Business strategy</td>
<td>Marketing Performance</td>
<td>0.269</td>
<td>2.246</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>H12 Characteristics *Strategi</td>
<td>Marketing Performance</td>
<td>-0.103</td>
<td>3.900</td>
<td>0.041</td>
<td>reject</td>
</tr>
</tbody>
</table>

There is an influence of batik products on business strategy of 0.116, with a CR value of 4.950 and a value of P = 0.000. This shows that H1 is accepted. There is the influence of batik products on business strategy of 0.118, with a CR value of 3.729 and P = 0.000. This shows that H2 is accepted. There is an effect of batik prices on business strategies of -0.977, with a CR value of 8.839 and P = 0.000. This shows that H3 is accepted. There is an effect of batik prices on marketing performance of -0.319, with a CR value of 4.311 and P = 0.000. This indicates that H4 is accepted. There is a distribution effect (place) on batik products on business strategies of 0.368, with a CR value of 3.279 and a value of P = 0.000. This shows that H5 is accepted. There is an effect of product distribution on marketing performance of 0.292, with a CR value of 4.492 and a value of P = 0.000. This indicates that H6 is accepted. There is a distribution effect (place) on batik products on business strategies of -0.006, with a CR value of 1.583 and P = 0.510. This shows that H7 is rejected. There is an effect of the promotion of batik products on marketing performance by 0.304, with a CR value of 2.246 and a value of P = 0.000. This shows that H8 is accepted. There is an effect of the market orientation of batik products on business strategies of 0.195, with a CR value of 2.144 and P = 0.000. This shows that H9 is accepted. There is an influence on the
market orientation of batik products towards marketing performance of 0.823, with a CR value of 8.126 and a value of \( P = 0.000 \). This shows that H10 is accepted. There is the influence of the company's business strategy on batik products on marketing performance of 0.269, with a CR value of 2.246 and a value of \( P = 0.000 \). This shows that H11 is accepted. There is the influence of moderating variables (product characteristics * business strategy) on marketing performance by -0.103, with a CR value of 3.900, and a significance of 0.041. This shows that H12 is rejected.

The influence of explanatory variables can be studied further to get a more comprehensive discussion of the results of the study, then the results of this study are explained as follows:

**Influential Batik Products Against Business Strategies**

According to the hypothesis 1, this shows that batik products contributed to the business strategy of 16.6%. From the results of factor analysis, it is known that the dominant factor that shapes batik products is product quality, which means that the consumers prioritize the quality of batik products which are guaranteed, the quality of products is maintained, and good quality products. The dominance of product quality indicators on batik product variables in this study, the small batik industry in the East Java Bakorwil II region, deserves more attention to the quality indicators of this product, because with good product quality it will be able to raise the small batik industry business strategy. This can be done by always innovating and creating new products with patterns and motifs that can meet the wants and needs of consumers.

**Influential Batik Products on Marketing Performance**

According to hypothesis 2, this shows that batik products contribute to marketing performance by 11.8%. The results of the study are in accordance with Sri's (2011) study, which found that prices significantly influence marketing performance. The results of the study are in accordance with the research with Adelina et al. (2016).

**Influential Batik Prices on Business Strategies**

According to hypothesis 3, this shows that the price of batik contributes to the business strategy of 97.7%. From the results of the factor analysis, it is known that the dominant factor that shapes the price of batik is the price discount indicator, meaning that the respondents prioritize the discounted price of the batik price, namely: this batik company, giving a customer discount; this batik company, giving discounts to customers; and the company provides discounts to customers followed by giving special gifts to customers, namely this batik company, giving special gifts to customers; company, giving gifts to repeat purchases to customers; and special gifts for certain days for customers.

**Batik Prices Influence On Marketing Performance**

According to hypothesis 4, this shows that the price of batik contributes to marketing performance by 31.9%. The research results are in line with Minto's research findings (2014); Sri, (2011) which shows that prices significantly influence marketing performance.

**Influential Distribution of Business Strategies**

According to hypothesis 5, this shows that the distribution strategy contributes to the business strategy of 36.8%. From the factor analysis, it is known that the dominant factors that shape the batik product distribution are indicators of distribution channel cooperation, meaning that respondents prioritize the distribution of smooth batik products where small batik industry companies have a collaboration of distribution channels with post office networks; batik small industry has a collaboration of distribution channels with other parties; and the small batik industry has a distribution channel collaboration with agents.

**Influential Distribution of Marketing Performance**

According to hypothesis 6, this shows that the distribution strategy contributes to marketing performance by 29.2%. The results of the study are consistent with the findings of Siti (2009); Hanny (2014) which shows that marketing strategies, marketing orientation and high competitive advantage can improve the performance of batik companies.

**Influential Promotion of Business Strategies**

Not accepted by hypothesis 7, this indicates that the promotion strategy has not contributed to the business strategy. This could happen due to the lack of serious handling of the promotion strategy carried out by the small batik industry in the East Java Bakorwil II Region. The batik industry is indeed experiencing significant developments, especially in the East Java Bakorwil II Region, this can be seen with the number of people using clothes with batik cloth motifs. But the results of this study indicate that promotion of what has
been done has not had an impact and has not supported the batik industry business strategy. Therefore, it is appropriate for more local governments to participate in conducting promotions to help small batik industries in East Java.

**Batik Product Promotion Influences Marketing Performance**

According to the hypothesis 8, this shows that the product strategy contributes to marketing performance by 30.4%. From the results of factor analysis, it is known that the dominant factor that shapes the product is the interaction with customers. This dominance means that the batik industry should pay more attention to the interaction with customer indicators because respondents prefer the interaction with customers. The results of the study are in accordance with the findings of Ika (2017); Selang (2013) which informs the influence of distribution channels, prices and promotions on sales volume.

**Influential Market Orientation Against Business Strategies**

According to the hypothesis 9, this shows that the market orientation strategy contributes to business strategy by 19.5%. From the factor analysis, it is known that the dominant factor that forms market orientation is cross-functional coordination, meaning that respondents prioritize cross-functional coordination, namely: Coordination in the ranks of companies is one of the company's strategic factors; coordination between functions within the company is always carried out by the company; and all ranks have involvement in solving various problems related to the market (Nur’aini and Sanaji, 2013).

**Influential Market Orientation on Marketing Performance**

According to hypothesis 10, this shows that the market orientation strategy contributes to marketing performance by 82.3%. The results of the study are consistent with the findings of Siti (2009) which shows that marketing strategies (product, price, promotion, and distribution), and marketing orientation, have a positive influence on marketing performance (Subin and John, 2004).

**Influential Business Strategies on Marketing Performance**

According to the hypothesis 11, this shows that the business strategy contributes to marketing performance by 26.9%. From the results of factor analysis, it is known that the dominant factors that shape the batik product business strategy are organizational goals, meaning that respondents prioritize organizational goals, namely: The company always works in accordance with the vision that has been proclaimed beforehand; the company always works according to the mission that has been proclaimed beforehand; and the company always works in accordance with the stated objectives. The results of the study are in accordance with the findings of Eric and Hult (2007).

**Product Characteristics Positively Moderate The Relationship Of Business Strategy To Marketing Performance**

The failure of hypothesis 12 shows that the existence of product characteristic variables cannot increase the effect of business strategy on the performance of small batik industry marketing in the East Java Bakorwil II region. The results of this study indicate that the characteristics of production factors are not the most important factors in determining the performance of the supplier. This can happen because consumers consider that the quality of batik cloth, batik characteristics, and batik designs (batik patterns, batik colors) in almost all batik products is the same, what might happen is that each region has its own characteristics. Therefore, consumers will look for and buy batik cloth according to the area of origin of batik, where each region in the East Java region of Bakorwil II which produces batik cloth, has its own characteristics.

V. **CONCLUSIONS AND RECOMMENDATIONS**

The results showed that: Products, Prices, Distribution, and the Market Orientation of batik products had a significant effect on the small batik industry business strategy in the East Java Bakorwil II region. Promotion has no significant effect on the small batik industry business strategy in the East Java Bakorwil II region. Product, Price, Distribution (place), Promotion, Market Orientation, and Business Strategy of batik products have a significant effect on the marketing performance of small batik industries in the East Java Bakorwil II region. The characteristics of batik products are negatively significant, moderating the relationship between business strategies and the performance of small-scale batik industry marketing in the East Java Bakorwil II region. The existence of product characteristic variables has not been able to increase the influence of strategy on the performance of small batik industry marketing in the East Java Bakorwil II region.

It is recommended that the industry to always improve product quality, and adjust product prices with product quality, besides that the product must be unique compared to products from other batik industries, so that the products owned are superior. This can be done by always improving product attributes such as: product
Influence of Marketing Mix Against Marketing Performance Through the Orientation of the Batik Small Industry Market in East Java

Ana Komari

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