

Akar Bahar Craft a Business Development Strategy to Increase Income

Fetri Setyo Liyundira¹, Khoirul Ifa², Kasno³

Department of Accounting, Institut Teknologi dan Bisnis Widya Gama Lumajang, Indonesia^{1,2}
Department of Management, Institut Teknologi dan Bisnis Widya Gama Lumajang, Indonesia³

Corresponding Author: Fetri Setyo Liyundira (liyundira90@gmail.com)

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ABSTRACT

In the era of the modern economy, producers not only sell their products directly to final consumers, but also use the services of various parties such as intermediary agents and distributors. People's income can certainly be obtained with the success of how to manage finances, product innovation and marketing. This study uses primary data by distributing questionnaires to Akar Bahar craftsmen. There are three factors examined in this study, firstly financial management, knowledge of financial management in the business is still relatively low so they think they don't really need financial management in stabilizing and increasing people's income because the income they earn will be replayed as business capital. Furthermore product innovation which is also not related to the income because product innovation may only be for sweeteners will not change or increase people's income, especially Akar Bahar craftsmen because it is considered too much time wasted to expand the line, adding new products because of the old product it can still be sold. The third, marketing is very closely related to people's income, because marketing is an important activity of all business carried out by companies, especially for profit-oriented companies in an effort to meet consumer needs and desires.

Keywords: Community Income, Financial Management, Marketing, Product Innovation



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INTRODUCTION

The community is a potential consumer who is the spearhead of the company's target. All companies are competing or competing to be at the forefront to attract people's interest to buy (Culpepper & Thelen, 2020). The community is so important to the company that it requires a strategy to influence purchasing decisions (Bag, Wood, Mangla, & Luthra, 2020; Sulistyan & Paramita, 2021). Consumers are assets that must be nurtured, guarded and won over to maintain the sustainability of the company. In buying decisions, people must use the right marketing strategy (Sjödin, Kamalaldin, Parida, & Islam, 2021). Purchasing decisions are very important to determine whether or not a company will advance in the future. The company's success in influencing consumers in purchasing decisions is strongly supported through efforts to build communication by meeting the needs that

consumers want, creating a variety of varied products and various product choices themselves and creating products that have never been needed by consumers (Ririhena & Goraph, 2020).

In the era of the modern economy, producers not only sell their products directly to final consumers, but also use the services of various parties such as intermediary agents and distributors (Gobie, 2019). From this purchase decision, it will affect people's income. People's income can certainly be obtained with the success of how to manage finances, product innovation and marketing (Sedyastuti, Suwarni, Rahadi, & Handayani, 2021). Community income is the main source, especially the people in the village of Curah Malang, Jember Regency, who are artisans of root bahar. This root bahar craftsman has been around for a long time and the products sold have also spread as Indonesian knick-knacks.

Bahar root is an Anthozoa family which is an animal that does not have a backbone. The root name bahar comes from Arabic and Malay. Bahar in Arabic means sea, so the root of bahar means sea root. Bahar root is a type of coral plant because it lives in sea coral so to get the bahar root you have to look for it to the bottom of the sea (Bahar, Mubarat, & Halim, 2020). Akar Bahar is a marine animal that resembles a plant and lives on the seabed. With unique characteristics starting from its history and life cycle, root bahar has become one of the most valuable craft materials. In addition to having a high value, it turns out that the root of bahar also has properties. When used as a bracelet, root bahar can help cure rheumatic diseases. Apart from being used as bracelets, root bahar can actually be processed into other more valuable products, including commando sticks, pendants, earrings, necklaces, prayer beads, and others.

Community income is community income is income from salaries or remuneration from business results obtained by individuals or groups of households in one month and is used to meet daily needs. Meanwhile, income from a side business is additional income which is another income from outside the main activity or main job (Sari et al., 2020). Community income can be measured using the level of profit, satisfaction and ability to repay services.

Financial management is derived from the word management which has the meaning of managing and finance which means things related to money such as financing, investment and capital. So if it is concluded that financial management can be interpreted as all activities related to how to manage finances starting from obtaining funding sources, using funds as well as possible to allocating funds to investment sources to achieve company goals. The scope of financial management (financial management) is related to planning, directing, monitoring, organizing and controlling a company's financial resources (Themba, Amin, & Azis, 2021). In financial management, it is divided into indicators starting from the use of the budget, recording, reporting, and controlling.

Product innovation requires the support of various parties so that the product that will be produced will be successful. To achieve success in product innovation, there are several aspects that need to be considered by the company, namely how to create new and different products that must be supported by the company's ability to understand market behavior (by observing the demand for the products produced and shortening the delivery time and product demand time), and the ability to analyze the market (both from market demographics, characteristics and behavior of competitors as well as competitive advantages that can be used as opportunities) (Saputri, Sasongko, & Julianto, 2015). For indicators in product innovation, namely line expansion, new products, and completely new products.

Marketing is one of the main activities that need to be carried out by companies, whether goods or services companies in an effort to maintain the viability of their business and achieve success for the company so that they get profit from the products they produce. Marketing activities that are well planned, organised, coordinated and supervised will produce satisfactory results. Furthermore, Kotler and Armstrong (2018) explain that marketing consists of actions taken to build and maintain

desired exchange relationships with targeted customers involving products, services, ideas, or other objects.

Marketing strategy is basically a comprehensive, integrated and unified plan in the field of marketing (Berman & Thelen, 2018), which provides guidance on the activities to be carried out to achieve the marketing objectives of a company. The marketing mix is a combination of four variables that can support marketing activities, namely product, price, place and promotion.

From the above background, the researcher is interested in researching the Business Development Strategy of Akar Bahar Craft to Increase Income Curah Malang Village Jember Regency which uses three factors including financial management, product innovation and marketing.

METHODS

The first step taken by the researcher in making the research design is to determine the type of variable. The dependent variable in this study is the income of the people in the village of Curah Malang, Jember Regency, while the independent variables are the variables of Financial Management, Product Innovation and Marketing. After determining the types of variables above, the next step is to conduct analysis. This study intends to analyze the Strategy of Development of Bahar Roots Crafts to Increase the Income of the Community of Malang Curah Village, Jember Regency. This study conducted a test on Akar Bahar craftsmen in Curah Village, Malang Regency, Jember Regency using primary data to find out the results. The object of this research is the akar bahar craftsmen in the village of Curah Malang, Jember Regency. Sources of data in this study using internal data that is obtained by using a questionnaire or questionnaire. The questionnaire technique or questionnaire is a data collection by providing or distributing a list of questions or statements to respondents with the hope of responding to the list of questions or statements.

The list of questions or statements can be open if the answer is not predetermined, while it is closed if alternative answers have been provided. Instruments in the form of questionnaires, checklists or scales (Paramita et al., 2018). The technique used by researchers to collect primary data is using a questionnaire or questionnaire, because the questionnaire is answered or filled out by the respondent and the researcher does not always meet directly with the respondent, so in compiling the questionnaire it is necessary to pay attention to several things. The number of samples in this study were 33 respondents who were artisans of akar bahar.

Community income is community income is income from salaries or remuneration from business results obtained by individuals or groups of households in one month and is used to meet daily needs. While income from a side business is additional income which is another income from outside the main activity or main job (Sari et al., 2020). Financial management is derived from the word management which has the meaning of managing and finance which means things related to money such as financing, investment and capital. So if it is concluded that financial management can be interpreted as all activities related to how to manage finances starting from obtaining funding sources, using funds as well as possible to allocating funds to investment sources to achieve company goals. The scope of financial management (financial management) is related to planning, directing, monitoring, organizing and controlling the financial resources of a company (Themba et al., 2021). Product innovation requires the support of various parties so that the product that will be produced will be successful. To achieve success in product innovation, there are several aspects that need to be considered by the company, namely how to create new and different products that must be supported by the company's ability to understand market behavior (by observing the demand for the products produced and shortening the delivery time and product demand time), and the ability to analyze the market (both from market demographics, characteristics and behavior of competitors as well as competitive advantages that can be used as opportunities) (Saputri et al., 2015). Marketing

is one of the main activities that need to be carried out by companies, whether goods or services companies in an effort to maintain the viability of their business and achieve success for the company so that they get profit from the products they produce. Marketing activities that are well planned, organised, coordinated and supervised will produce satisfactory results. Furthermore, Kotler and Armstrong (2018) explain that marketing consists of actions taken to build and maintain desired exchange relationships with targeted customers involving products, services, ideas, or other objects.

The instrument used in this research is a questionnaire or questionnaire. Questionnaires are a series of questions posed to respondents regarding the object being studied, either in the form of opinions, responses or themselves. As a research instrument, the questions must not deviate from the direction to be achieved by the proposed research project, which is reflected in the formulation of the hypothesis, thus a list of questions that must be asked tactically and strategically so as to be able to filter the information needed by respondents.

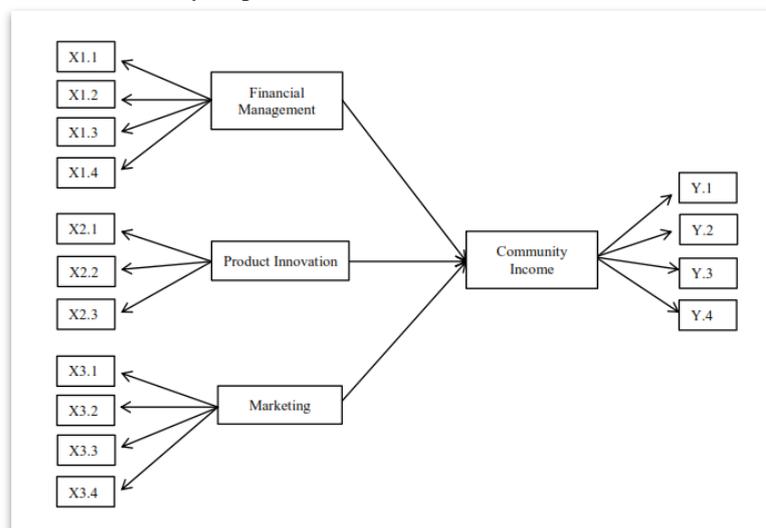


Figure 1. Research Instruments

Source: Data Processed, 2022

In this study using data analysis to test and determine the relationship between financial management, product innovation, marketing and people's income is to collect data in the form of questionnaires or questionnaires, identification and publication, hypothesis testing using regression analysis requires assumptions, namely normality test, heteroscedasticity test, multicollinearity test, autocorrelation test.

The results of the operationalization of variables will be tested and the value of these variables will be included in the SPSS program. The analytical method used in this study is the dependency method, using an analytical technique in the form of multiple regression analysis.

According to Paramita (2021) the dependency method is able to explain and predict the dependent variable based on two or more independent variables. Multiple linear regression analysis was conducted to determine the relationship between the dependent variable and the independent variables. The regression equation developed in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 +$$

Information:

- Y = Community Income
- α = Constant (intercept)
- $\beta_1, \beta_2, \beta_3$ = Regression coefficient (slope coefficient)
- X1 = Financial Management
- X2 = Product Innovation
- X3 = Marketing
- ϵ = Error

RESULTS AND DISCUSSION

This study aims to test and find out the Strategy for Developing Bahar Roots Crafts Business to Increase the Income of the Community of Curah Village, Malang Regency, Jember Regency with the number of respondents who have filled out the questionnaire as many as 33 respondents who are root bahar craftsmen. From the results of SPSS, it can be seen that the statistical description is as follows:

Table 1. Descriptive Statistics

	Mean	Std. Deviation	N
Y	41.5455	2.62311	33
X1	75.6970	8.01360	33
X2	35.1515	3.42893	33
X3	51.6061	4.18285	33

Source: Data Processed, 2022

From the results of 33 respondents' answers, the researchers conducted reliability tests and validity tests to determine the feasibility of the data for the next stage. The following are the results of the reliability test and validity test in this study:

Table 2. Validity Test Results

Variabel / Indikator	r hitung	r tabel	Information
Financial Management (X₁)			
Indicator 1	0,597	0,344	Valid
Indicator 2	0,657	0,344	Valid
Indicator 3	0,702	0,344	Valid
Indicator 4	0,893	0,344	Valid
Product Innovation (X₂)			
Indicator 1	0,714	0,344	Valid
Indicator 2	0,759	0,344	Valid
Indicator 3	0,567	0,344	Valid
Marketing (X₃)			
Indicator 1	0,579	0,344	Valid
Indicator 2	0,770	0,344	Valid
Indicator 3	0,725	0,344	Valid
Indicator 4	0,410	0,344	Valid
Community Income (Y)			
Indicator 1	0,495	0,344	Valid
Indicator 2	0,705	0,344	Valid
Indicator 3	0,726	0,344	Valid
Indicator 4	0,520	0,344	Valid

Source: Data Processed, 2022

Based on the results of the validity test above, all of the question items show r count r table, this means that the question items proposed by this study are valid.

Table 3. Reliability Test Results

Variable	Alpha Value	Alpha	Information
Financial Management (X_1)	0,955	0,6	Reliable
Product Innovation (X_2)	0,855	0,6	Reliable
Marketing (X_3)	0,866	0,6	Reliable
Community Income (Y)	0,692	0,6	Reliable

Source: Data Processed, 2022

Based on the results of the reliability test above, all of the question items show Alpha Alpha value, this means that the question items posed by this study are reliable.

Next, the researcher will test the classical assumption consisting of the Multicollinearity Test, Autocorrelation Test, Heteroscedasticity Test and Normality Test. For the multicollinearity test, the tolerance value of the independent variables of financial management, product innovation and marketing has a tolerance value of more than 0.0001 which means that there is no correlation between the independent variables. Meanwhile, the calculation results of the Variance Inflation Factor (VIF) value also show the same thing. None of the independent variables has a VIF value of more than 10. Thus, it can be concluded that in the regression model there is no multicollinearity between the independent variables.

For the autocorrelation test, it can be seen from the results of the Durbin Watson (D-West) test which shows 1.669. It can be interpreted if $1.65 < DW < 2.35$, so it can be concluded that there is no autocorrelation between sample members or observational data sorted by time.

From the results of the Heteroscedasticity test based on the scatterplot graph above, it appears that the distribution of the data does not form a clear pattern, the data points spread above and below the number 0 on the Y axis. This indicates that there is no heteroscedasticity in the regression model. Meanwhile, to test the normality of the data from the results of the one sample Kolmogorof Smirnov test, there are 0.23 results, which means that the significant value is 0.05.

After testing the classical assumptions above, the next step is for researchers to display a regression model, which is as follows:

Table 4. Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	18.603	4.409		4.220	0,000
X1	-0,17	0,051	-0,053	-0,339	0,737
X2	0,12	0,145	0,156	0,827	0,415
X3	0,389	0,130	0,620	2,981	0,005

Source: Data Processed, 2022

From the regression model above, it can be explained for hypothesis 1, namely the influence of financial management on community income, the value of sig 0.737 which means it is greater than the value of sig 0.05 so that it can be interpreted that financial management has no effect on people's income. Financial management is an activity related to how to manage finances starting from obtaining funding sources, using funds as best as possible to allocating funds to investment sources to achieve company goals (Ririhena & Goraph, 2020). Theoretically financial management has an impact on people's incomes because the knowledge of craftsmen related to financial management

will help craftsmen in managing their business, but the results of the research contradict the theory so that it can be interpreted that financial behavior and literacy are needed in order to increase people's income for Akar Bahar Craft to increasing complexity of financial decisions and the instability of the world economy threaten the financial well-being of every individual. To overcome this, good financial management behavior is needed.

A behavior carried out by a person occurs because of background information, one of which is knowledge in the category of control beliefs. Control beliefs are related to the belief that a behavior can be performed. In this study, knowledge is represented by financial literacy. Knowledge has an important role in the formation of one's actions. Financial literacy in this study is considered to have an influence on financial behavior. When craftsmen have a good level of financial literacy, their financial behavior is also good, and vice versa. When craftsmen have a poor level of financial literacy, their financial behavior is also not good (Gonzalez et al., 2019)

Researchers assume that root bahar craftsmen in the village of Curah Malang still have little knowledge related to financial management so they think they don't really need financial management in stabilizing and increasing people's income because the income they get will be replayed as business capital again, not thinking about how to sustain business in the long term.

For the second hypothesis, namely the Effect of Product Innovation on People's Income. From table 4 the Regression Model for the value of sig 0.415 which means more than the value of sig 0.05 so that it can be interpreted that product innovation on people's income. Product innovation requires the support of various parties so that the product that will be produced will be successful. To achieve success in product innovation, there are several aspects that need to be considered by the company. Income is very influential for the survival of the company, the greater the income obtained, the greater the company's ability to finance all expenses and activities carried out by the company. One of the factors in a business in carrying out trading activities is by recognizing the value contained in the goods/products produced/obtained or the amount of income generated along with carrying out these business activities (Pramana, 2019).

The relationship between innovation and people's income is innovation as an idea, practice or object that is considered new by an individual or other user unit. The benefits of innovation are creating various product designs, thereby increasing alternative choices, increasing the benefits or value received by customers which will ultimately improve product quality as expected by customers. Innovation has a significant positive effect on revenue. If you can successfully carry out the latest innovations for your business, it will increase the income of market traders. So that it can increase alternative choices and benefits or choices received by customers so that product innovation and marketing innovation are one way for market traders to maintain competitive advantage by expanding marketing networks through social media, displaying visuals/images that can attract consumers and will be able to help increase the income of the business (Lampe, 2014).

In this study, product innovation has no effect on people's income although theoretically ideas, practices or objects are needed for product innovation to increase people's income. However, from the answers of the respondents here are root bahar craftsmen, it can be concluded that product innovation maybe only for sweeteners will not change or increase people's income, especially root bahar craftsmen because it is considered too much time is wasted to expand the line, add new products because old products can still be sold.

For the third hypothesis, namely the influence of marketing on people's income. From table 4 the regression model shows the value of sig. 0.005 which is smaller than the sig. 0.05 it can be concluded that Marketing has an effect on people's income. Marketing is one of the main activities that need to be carried out by companies, whether goods or services companies, in an effort to maintain the viability of their business and achieve success for the company so that they get profit from the

products they produce. Promotion is an important thing, to be considered in a marketing, if the promotion is not good, the consumer is definitely not interested in the product being marketed. Promotion is all activities of marketing activities providing all information received, analyzing market segmentation, and products available in the market, receiving, buying, using these products and there is a sense of loyalty from customers for the products or services offered by the company. Advertising, sales promotion, personal selling and publicity, as a means of promotion and efficient effectiveness to carry out promotional activities, all of these depend on the company (Hasugian et al., 2019).

In this study, marketing affects people's income because in running a business they must meet market needs with goods or services, set prices, distribute, and promote them. This activity is one of the important activities of the entire business carried out by the company, especially for profit-oriented companies in an effort to meet the needs and desires of consumers. The needs and desires of consumers must receive serious attention from the company's management because today there are many similar products offered by many companies, so there must be many alternatives for consumers to meet their needs and desires. Conditions like this require companies to properly identify what consumers really need and want before they produce products in carrying out other marketing activities (Sugiyanto et al., 2021).

It is clear that marketing has an effect on people's income because it is a condition in the business world that does not escape unwanted events, one of which goes out of business because it is unable to adapt to existing changes. So that marketing must continue to be carried out by looking at the needs and desires of consumers.

CONCLUSION

Revenue is an important factor in the operation of a company, because income will affect the expected level of profit and will certainly ensure the survival of the company. There are three factors examined in this study, firstly financial management, knowledge of financial management in the business of root bahar craftsmen is still relatively low so they think they don't really need financial management in stabilizing and increasing people's income because the income they earn will be replayed as business capital. Again do not think about how the sustainability of their business in the long term. Furthermore, product innovation which is also not related to the income of root bahar craftsmen because product innovation may only be for sweeteners will not change or increase people's income, especially root bahar craftsmen because it is considered too much time wasted to expand the line, adding new products because of the old product. it can still be sold. The third is related to the relationship between marketing and people's income. Marketing is very closely related to people's income, especially akar bahar craftsmen because marketing is an important activity of all business carried out by companies, especially for profit-oriented companies in an effort to meet consumer needs and desires.

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