



# Brand Registration as a Marketing Strategy and Customer Loyalty of Natural Color Batik in Kampung Alam Malon Village

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**Abstract:** Brand is a name, symbol, mark, design or combined of them for use as an individual identity, organization or corporations on goods and services possessed of discernment with the other service. Globally, the right brands Brand will be used as strategy to market products or services. Considering the registration brand will need as an id to distinguish the results of the production of produced a person or some people in together or legal entity with the production of another person or another law office. The writer applied law and sociological approach to study these issues so that the brand registration is important to marketing product and customer loyalty Batik of Malon Nature Village.

**Keywords:** brand registration; customer loyalty; intellectual property rights; Malon Nature Village; product marketing

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## A. Introduction

Kampung Alam Malon is located in RW 6, Gunungpati Subdistrict, Gunungpati Subdistrict, Semarang City, which since 2016 has been designated as one of 16 regions to receive the Semarang City "Thematic

Kampung" program. The Malon region in the hills has a variety of potential human and natural resources that can be developed further. Malon Village has the potential of livestock and plantation products. Besides that, Malon Village also has well-known batik craftsmen, namely Batik Zie and Batik Salma and "batik children" from Batik Salma, namely Citra, Mangosteen, Pomegranate and Crystal.

Batik Zie, who first started the batik business, has developed into a batik industry that is well known even to the international scene. The development of Batik Zie is certainly not easy, many challenges are faced, ranging from human resources, marketing, registration of legal entities and so forth. But one of the keys to the success of Batik Zie is its products that have been registered with the Directorate General of Intellectual Property regarding brand rights. With a registered brand as well as by maintaining the quality of batik production, this has led to zie batik customers becoming loyal to their products, therefore Batik Zie has developed into a well-known batik brand. In addition to Batik Zie, there is Batik Crystal already registered with its brand rights, but marketing problems make customer loyalty less. While other batik industries in Kampung Alam Malon have not yet registered trademark rights. Even though the production of Batik Salma and its "batik child" is not inferior to Batik Zie, but due to marketing problems, brand registration and brand rights have not been obtained making marketing difficult because the product is not widely known, so the batik industry is less developed.

Consumers know the product through the brand, supported by the quality of the product that has the perception of quality (perceived quality) that is truly in accordance with the function and use.<sup>1</sup> Purchasing decisions are defined as a process of selecting alternative choices faced by someone in the context of the type of consumption choices, ranging from the use of new products to the use of old products and are well known.<sup>2</sup> Manufacturers who are able to build a brand well, will provide added value to the value offered by the product to consumers who are stated as brands that have strong brand equity. According to Durianto Brand equity (brand equity) is a multi-dimensional concept consisting of brand awareness, perceived quality, brand association, brand loyalty and other objective indicators.<sup>3</sup> Competition is increasing among brands operating in the market, only products that have

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<sup>1</sup> Durianto et.al., *Brand Equity Tren Strategy Memimpin Pasar*, Jakarta, PT Gramedia Utama Pustaka, 2004, p. 96.

<sup>2</sup> Schiffman, Kanuk, *Perilaku Konsumen Dalam Perspektif Kewirausahaan Edisi Ketujuh*, Jakarta, Indeks, 2008, p. 485.

<sup>3</sup> Durianto et.al, *Op.cit.*, p. 40.

strong brand equity will still be able to compete, seize and dominate the market.<sup>4</sup>

After the brand is known, customer loyalty will arise, the term customer loyalty shows the customer loyalty to certain objects, such as brands, products, services, or stores. In general, brands are often used as a benchmark for customer loyalty (brand loyalty). Likewise with brand loyalty which reflects customer loyalty to certain brands.

The purpose of this study can be divided into two, namely the first is a general goal which is to provide education to the public regarding the importance of brand rights for marketing products or services as a means of identification or identity to increase customer loyalty. Then the specific purpose is to provide education and problem solving for batik marketing and brand influence on batik marketing in Kampung Alam Malon so as to improve people's lives.

## **B. Method**

The research method is a way to do something using the mind carefully to achieve a goal by recording, searching, formulating and analyzing to compile the report. Research is a systematic, directed and purposeful scientific activity.<sup>5</sup> Therefore, data or information collected in research must be relevant to the problem at hand. That is, the data are related, familiar and appropriate.<sup>6</sup>

The method used is sociological juridical, meaning that a study is conducted on the real condition of the community or community environment with the intent and purpose of finding facts (fact-finding), which then leads to identification (problem-identification) and ultimately towards the resolution of problems (problem-solution).<sup>7</sup>

In conducting research, the authors who are members of the Phase 1 Intellectual Property Scientific Work Lecture Semarang State University in 2019 went directly to the field or in this case batik entrepreneurs in Kampung Alam Malon from July 16 to August 26, 2019.

The approach to search for data is carried out by direct interviews with sources, namely batik entrepreneurs from the chairman to its members, who

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<sup>4</sup> *Ibid.*, p 7.

<sup>5</sup> Cholid Narbuko & Abu Achmadi, *Metodologi Penelitian*, Jakarta: PT. Bumi Aksara, 2003, p 1.

<sup>6</sup> Kartini Kartono on Marzuki. *Metodologi Riset*, Yogyakarta, UII Press, t.t, p 55.

<sup>7</sup> Bambang Waluyo, *Penelitian Hukum Dalam Praktek*, Jakarta: Sinar Grafika, 2002, pp. 15-16.

are then analyzed by expert opinions from books, journals and other reliable sources.

## C. Result and Discussion

### 1. Implementation of Brand Registration for Batik Brand on Malon Village

According to the Trademark Law is a name, symbol, sign, design or combination thereof to be used as the identity of an individual, organization or company on goods and services owned to distinguish it from other service products. Brand characteristics play a very important role in determining whether a customer decides to trust a brand or not. Based on interpersonal trust research, individuals who are trusted are based on reputation, predictability, and competence.

Regarding brand image is the perception and belief carried out by consumers, as reflected in the association that occurs in consumer memory.<sup>8</sup> Nugroho stated that image is real and therefore if market communication does not match reality, normally reality will win. The image will eventually become good, when consumers have enough experience with the new reality.<sup>9</sup>

The value of a brand name that is added to a product is a picture of brand equity, or it can be said that brand equity is a set of brand assets and liabilities associated with a brand, name, and symbol that increase or decrease the value given by a brand goods or services to companies or company customers or business actors.

In terms of marketing Hasan stated that marketing is a scientific concept in business strategy which aims to achieve ongoing satisfaction for stakeholders (customers, employees, shareholders). The market is changing very fast, customers are very price sensitive, new competitors are emerging new distribution channels and new communication channels are also increasingly sophisticated, the internet, teleconferences and technology that support the market are supporting the rise of sales and marketing automation. Based on these definitions, several terms can be known, such as: needs (needs), wants (wants), demands (demands), products (products), exchanges (transactions), and markets (markets).<sup>10</sup>

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<sup>8</sup> Kotler Philip & Kevin L. Keller, *Manajemen Pemasaran Jilid 1 Edisi Ketigabelas*, Semarang, Erlangga, 2009, p. 346.

<sup>9</sup> Nugroho Setiadi, *Perilaku Konsumen Cetakan Ketiga*, Jakarta, Kencana Prenada Media Group, 2008, p. 182

<sup>10</sup> Hasan Ali, *Marketing*, Yogyakarta, Penerbit MedPress, 2009, p. 1.

Kotler and Armstrong suggested: “Marketing is a social and managerial process by which individual and group obtain what they need and want through creating and exchanging product and value with others”<sup>11</sup>, which means marketing is a social and managerial process where individuals and groups get what they need and want by creating and exchanging products and values with others. Lamb & Mc. Daniel, stated marketing is a process of planning and carrying out concepts, prices, promotions, and distribution of a number of ideas, goods and services to create exchanges that are able to satisfy individual and organizational goals.<sup>12</sup>

Kotler and Keller put forward marketing management as the art and science of choosing target markets and obtaining, maintaining, and requiring customers by creating, delivering and communicating superior customer value.<sup>13</sup> One understanding states that marketing management is an activity of analyzing, implementing planning, and controlling programs designed to establish, build, and maintain profits from exchanges through market targets to achieve organizational goals (the company) in the long run).<sup>14</sup> Schiffman and Kanuk state that the study of consumer behavior as a separate marketing discipline begins when marketers realize that consumers do not always act or react as proposed by marketing theory. It can be concluded that within a scope of marketing management as a combination of science and art that implements every management function in terms of exchanging products and services distributed from producers to consumers to achieve satisfaction and targeted targets in order to achieve company goals.<sup>15</sup>

Increasingly fierce business competition and growing customer expectations encourage companies or business actors to focus more on efforts to retain existing customers. Maintaining existing market targets through developing customer loyalty is one of the strategic objectives of the company or business actor to maintain their business and profits. In the long run, customer loyalty is an important priority for the development of

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<sup>11</sup> Kotler, P. & Armstrong G, *Principles of Marketing* 11th Edition, New Jersey: Prentice Hall International Inc., 2006, p. 5.

<sup>12</sup> Lamb Hair & Mc Daniel, *Marketing Management and Strategy*, New Jersey: Prentice Hall, 2001, p 1.

<sup>13</sup> Kotler Philip & Kevin L. Keller, *Op.cit.*, p. 6.

<sup>14</sup> Assauri Sofjan, *Manajemen Pemasaran: Dasar, Konsep & Strategi*, (Jakarta: Raja Grafindo Persad, 2010). hlm 12.

<sup>15</sup> Schiffman & Kanuk, *Perilaku Konsumen Dalam Perspektif Kewirausahaan. Edisi Ketujuh*, Jakarta, Indeks, 2010, p. 5.

sustainable competitive advantage, namely excellence that can be realized through marketing efforts.<sup>16</sup>

## **2. Analysis on Customer Loyalty on Natural Color Batik of Kampung Alam Malon**

The term customer loyalty refers to customer loyalty to certain objects, such as brands, products, services, or stores. In general, brands are often used as a benchmark for customer loyalty. Likewise with brand loyalty which reflects customer loyalty to certain brands.

The concept of customer loyalty has shown much attention in the marketing literature and consumer behavior. Customer loyalty has a significant impact on the profitability of a company or business actor. Loyal customers are likely to show positive attitudes and behaviors, such as repurchasing the same brand and positive recommendations that can affect customers actually and potentially. As we know that customer loyalty provides many benefits for the company with regard to a substantial entry barrier for competitors, increase the company's ability to respond to the threat of competition, increase revenue and sales, and make customers less sensitive to the efforts of competitors.<sup>17</sup>

The importance of customer loyalty as a primary goal for many companies or business people, academics and marketing professionals have tried to find antecedent customer loyalty. Some previous studies have led to customer satisfaction as the starting point for growing customer loyalty.<sup>18</sup> Customer satisfaction has been recognized as an important determinant of customer loyalty. Customer satisfaction can be conceptualized as an overall customer evaluation of the performance of an offer.<sup>19</sup>

Talking about consistent behavior requires understanding the principles of consumer learning, because learning theory focuses on conditions that produce consistency of behavior over time. The explanation provides an illustration that learning, habits, and loyalty are interconnected concepts. Loyalty is the result of consumer learning in a particular entity (brand, product, service, or store) that can satisfy their needs. So, this concept

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<sup>16</sup> Dick, A.S & Basu, K., Customer Loyalty: Toward an Integrated Conceptual Framework, *Journal of The Academy Marketing Science*, Vol .22, 1994, p .99.

<sup>17</sup> Delgado-Ballester, E and Munuera-Aleman, J. L. Brand Trust in the Context Consumer Loyalty, *European Journal of Marketing*, Vol. 35, No. 11, 2001, p 1238.

<sup>18</sup> Bowen, J. T., & Chen, Shiang-Lih, The relationship between customer loyalty and customer satisfaction, *International Journal of Contemporary Hospitality Management*, Vol. 13 No. 5 2001, p.213.

<sup>19</sup> Bearden & Teel. Selected Determinan of Consumer Satisfaction And Complain Reports. *Journal of Marketing Research*, Vol. 20 No.2, 1983, p. 25.

becomes very important for marketers because it provides many benefits for the company, including repeat purchases and can reduce marketing costs.

Customer loyalty investigations continue to be a major issue in the literature and marketing research. In general, research on customer loyalty only focuses on behavioral dimensions in measuring loyalty or focuses on the attitudinal dimension in measuring loyalty.<sup>20</sup> This shows that the concept of customer loyalty has not been clearly defined and operationalized, although the importance of customer loyalty has been recognized in the marketing literature for three decades.

Research on customer loyalty has used various behavioral measurements to define customer loyalty to a particular object. Loyalty based on behavioral measures is defined as repeat purchases, proportion of purchases, series of purchases, and purchase probability.<sup>21</sup> Kotler & Armstrong state that products are all that can be offered to the market to be considered, owned, used or consumed that can satisfy the wants or needs of the wearer.<sup>22</sup> In developing a product, marketers must first choose a quality level that will support the product's position in the target market.<sup>23</sup> Product Quality is an overall combination of the characteristics of the product produced from marketing, engineering, production and maintenance that makes the product can be used to meet customer or consumer expectations.<sup>24</sup>

Attitudes are evaluations, feelings, and tendencies of a person towards an object or idea that is relatively consistent.<sup>25</sup> Attitude puts people in a framework of thinking about liking or disliking something, about approaching or avoiding it. Attitude is also called the most special concept and is very much needed in contemporary social psychology. Attitude is also one of the most important concepts used by marketers to understand consumers.<sup>26</sup>

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<sup>20</sup> Bowen, J. T., and Chen, Shiang-Lih, 2001, The relationship between customer loyalty and customer satisfaction, *International Journal of Contemporary Hospitality Management*, 13(5), p.214.

<sup>21</sup> Dick, A.S & Basu, K., Customer Loyalty: Toward an Integrated Conceptual Framework, *Journal of The Academy Marketing Science*, Vol. 22 No. 1, 1994, p. 100.

<sup>22</sup> Kotler, P. & Armstrong G, *Principles of Marketing* 11th Edition, New Jersey: Prentice Hall International Inc, 2006, p. 337.

<sup>23</sup> Machfoedz M, *Komunikasi Pemasaran Modern. Cetakan Pertama*, Jakarta, Penerbit. Cakra Ilmu. Jakarta, 2010, p. 6.

<sup>24</sup> Wijaya T, *Manajemen Kualitas Jasa Edisi 1*, Jakarta, Indeks, 2011, p. 11.

<sup>25</sup> Kotler, P. & Armstrong G, *Principles of Marketing* 11th Edition, New Jersey, Prentice Hall International Inc., 2006, p. 338.

<sup>26</sup> Peter, J.P. & Olson, J.C, *Consumer Behaviour & Marketing Strategy, Seventh Edition*. New York: McGraw-Hill Companies, Inc, 2006, p. 23.

### 3. Protection of Intellectual Property Rights for Batik Alam Kampung Malon

The economy of a country cannot be separated from the important role of SMEs (Micro and Small and Medium Enterprises). Why SMEs holds an important element because with the existence of SMEs open new jobs for the community and increase income so that it can indirectly reduce poverty in Indonesia.

Kampung Alam Malon has a lot of potential in it, one of the products produced is batik. However, if batik is usually produced from synthetic colors, batik production produced in Malon Nature Village comes from natural colors, thus making this batik product different from other batik production results.

The hallmark of batik made by Kampung Alam Malon batik artisans is in terms of batik coloring using natural dyes that have been used for generations until now. Even the craftsmen have a private garden to plant plants used for natural dyes, one of which is indigo cultivation.

Since the formation of batik crafters' groups in Kampung Alam Malon, which have been named as thematic villages and working together with Indonesia Power, Batiksem SMEs have consistently used natural dyes. The results of natural coloring are far different from chemical dyes, because natural dyes produce colors that are soft, inconspicuous and cool to the eye. This type of batik is in great demand both domestic and foreign tourists.

In terms of the source of textile dyes obtained can be divided into two, namely synthetic dyes and natural dyes. Synthetic dyes are artificial substances (chemical dyes). Color synthesis is a dye that can be used in temperatures that do not damage the wax, which belongs to the group of dyes are: indigosol, naphthol, rapid, base, indanthren, procion, and others.<sup>27</sup>

Utilization of natural dyes for textiles is an alternative to chemical dyes. As for natural coloring agents obtained from nature derived from animals (lac dyes) or plants such as from roots, stems, leaves, skins and flowers. Natural colors are obtained from plant parts such as roots, stems, wood, skin, leaves and flowers, or from animal lac dye. Examples of natural colors include plants high, jambal, tegeran, mahogany and others. Natural dyes obtained from processing plants and several other natural ingredients.

These natural dyes include pigments that are already present in the material or formed in a heating, storage, or processing process. Some natural pigments that are abundant around us include: chlorophyll,

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<sup>27</sup> Pringgenies, D., E. Supriyantini, R. Azizah, & R. Hartati. Aplikasi Pewarnaan Bahan Alam Mangrove Untuk Bahan Batik Sebagai Diversifikasi Usaha Di Desa Binaan Kabupaten Semarang. *Jurnal Info* Vol. 15 No. 1, 2013, p. 7.

carotenoids, tannins, and anthocyanins. Natural dyes are generally safe and do not cause side effects for the body.<sup>28</sup>

The natural color for batik coloring is in great demand by consumers from abroad because batik or materials that use natural colors will make the user more comfortable and guaranteed not to cause allergies. The emergence of movement back to nature, fear of the effects of pollution by synthetic dyes that cause cancer and the desire to produce unique products encourage the rise of the use of natural dyes.<sup>29</sup>



Figure 1. Natural Color Batik Results of Malon Nature Village with designs and logos created from the results of the mentoring team of Semarang State University's Real Scientific Work Lecture in the field of Intellectual Property.

Batik with natural dyes has its own uniqueness in the manufacturing process. Especially in the dyeing process, although using the same technique and color composition, but not necessarily produce the exact same color. Therefore, there are actually some legal protection of IPR (Intellectual Property Rights) that can be applied to batik created by batik craftsmen of Malon Alam Village. The protection of IPR covers several scope of IPR. It should be noted that a product can be protected by a variety of rights as well as being covered by Intellectual Property Rights (IPR). The scopes of IPR that can protect batik works made by batik SMEs Batik craftsmen in Kampung Alam Malon as shown on Table 1.

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<sup>29</sup> *Ibid.*, p. 8.

Table 1. IPR coverage that can protect the work of MSME Batik Kampung Alam Malon

<b>Legal Protection Category Intellectual Property Rights</b>	<b>Explanation</b>
Copyright	<p>The new batik motif designs created and created by batik craftsmen can be protected with copyright. This was stated in copyright protection in the sphere of batik art Act No. 19 of 2002.</p> <p>The exclusive rights possessed by batik artisans give their creator the right to publish or reproduce their own new batik designs.</p>
Simple Patent	<p>Simple protected patents are creations in dyeing and coloring batik. The process of making dyeing and dyeing batik, especially with natural coloring agents, although done using simple technology, but has high value and produces a unique and distinctive color that is also the scope of patent protection.</p>
Brand rights	<p>Brand rights can also be given to the work of batik artisans. The function of the brand itself is as an identifier to distinguish the results of production produced by batik artisans or one UMKM Batik from one another, as a promotional tool, so as to promote their production results simply by mentioning their brands, as a guarantee of the quality of their goods and a pointer to the origin of the goods / services they produce or usually called by geographical indication.</p>
Rights to Geographical Indications	<p>The right to Geographical Indication is a sign that indicates the area of</p>

origin of a good which due to geographical environmental factors including natural factors, human factors, or a combination of the two factors gives certain characteristics and qualities to the goods it produces.

So that by providing protection for geographical indications, certain characteristics that are only found in the Kampung Alam Malon batik can be protected legally.

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As a first step to introduce the work of natural color batik in Kampung Alam Malon, a strategic thing to do is to carry out legal protection of Intellectual Property Rights (IPR) in the brand rights category. Trademark registration must take precedence because the trademark plays a very important role in the world of trade in goods and services to differentiate one product from another, especially similar products. Trademark registration is a valid proof of registered trademark, and trademark registration is also useful as a basis for rejection of the same trademark as a whole or the same in principle that is requested by others for similar goods or services. In this way, trademark registration as a basis prevents others from using the same mark in principle or as a whole in the circulation of goods or services.

Law on Trademark Rights in Indonesia adheres to the constitutive system (first to file), which means that anyone who registers first will be accepted by registering without questioning whether the registrant actually uses the mark for the benefit of his business. This is also to guard against counterfeiting, complication, or the existence of a similarity in whole or in essence with the property of others. Only trademarks that are registered will get legal protection and those trademarks that are not registered are not protected by law.

By providing legal protection for goods and or services, it will anticipate violations of the brand rights of the product and also the owners of the trademark rights can report to the rightful party if there is a violation of brand rights. In general, trademark rights violations that often occur in the trade of goods or services include:

- 1) Brand Impersonation Practices

In this case the entrepreneur competes dishonestly by trying to imitate an existing brand so that the brand of the product or service he produces is essentially the same as the brand of the goods or service being imitated.

This practice is usually applied to products or services that already have a name on the market or commonly known as well-known trade marks. It aims to give the impression to the general public that the product is the same as the original product. That way the business actor expects that with this similarity he can obtain a large profit without spending a large fee for the promotion of introducing the production. This is because consumers can be deceived by the similarity of the brand.

Whereas the practice of impersonation of a mark may be subject to sanctions in accordance with Article 91 of the Trademark Law which states "*Whosoever intentionally and without the right to use a Mark is the same principally as a registered trademark of another party for similar goods and/or services that are produced and/or traded, convicted with a maximum imprisonment of 4 (four) years and/or a maximum fine of Rp. 800,000,000.00 (eight hundred million rupiah)*".

## 2) Brand Counterfeiting Practices

Examples currently being rife are imitation goods from famous brand products with the term "KW", usually there are categories of "KW 1", "KW 2", "KW Super", and so on. Although the imitation goods are usually sold at a lower price than the price of the original goods, the loss is still experienced by famous brand holders because people who cannot afford to buy the original product will switch to buying the imitation goods. So that it can result in a decrease in sales turnover so it reduces the expected profits from the more well-known brand. It can even reduce people's trust in the brand, because consumers think that brands that were once believed to have good quality have started to decline in quality.

Not only that, the practice of counterfeiting brands is also very detrimental to consumers because consumers will obtain goods or services that are usually of lower quality than the well-known original brands, and even at times the fake production endangers the health and lives of consumers.

The practice of counterfeiting the mark may be subject to sanctions in accordance with Article 90 of the Trademark Law which states "*Whosoever intentionally and without the right to use Trademarks is the same in whole as the registered Trademarks of other parties for goods and/or services of the same type produced and/or traded, convicted with a maximum imprisonment of 5 (five) years and/or a maximum fine of Rp. 1,000,000,000.00 (one billion rupiah)*".

This trademark violation is called passing off (pillion reputation). Passing off is indeed a term known in the Common Law system.<sup>29</sup> *“In the common law system, passing a mark is an act of unfair competition, because this action results in other parties as trademark owners who have registered their trademarks in good faith experiencing losses in the presence of parties who fraudulently piggybacked or piggybacking on his brand to get financial benefits”.*

The existence of this legal protection results in business competitors not entitled to use the brand, letters and form of packaging in the products they use. Passing off prevents other parties from doing several things, such as:

- i. Present goods or services as if the goods / services belong to someone else; and
- ii. Running a product or service as if it has a relationship with goods or services that belong to someone else.

With regard to this act of passing off, the basic provisions violated are Article 3, Article 4, and Article 5 of the Trademark Law. In addition to special provisions regarding the mark, passing off actions may also be subject to criminal provisions, because this passing off action is fraught with fraudulent elements. This is as stated in Article 382 bis Chapter XXV of the Indonesian Criminal Code concerning cheating which reads: *“Whoever to obtain, carry out or expand the results of trade or companies owned by themselves or others, commit fraudulent acts to mislead the general public or a certain person, threatened, if the act can cause harm to his concurrent or other people's concurrent because of fraudulent competition, with a maximum imprisonment of one year and four months or a maximum fine of thirteen thousand five hundred rupiah”.*<sup>30</sup>

There are five batik SME industry players in Kampung Alam Malon, including the following:

Table 2. Batik SMEs Business in Kampung Alam Malon

No	Batik Names	Brand Rights Status
1	Batik Zie	Registered
2	Batik Cristal	Registered
3	Batik Salma	Not registered
4	Batik Delima	Not registered
5	Batik Manggis	Not registered

Source: Personal Identification, Authors, 2019

<sup>30</sup> Nur Hidayati, Perlindungan Hukum Bagi Merek yang Terdaftar, *Ragam Jurnal Pengembangan Humanivora*, Vol. 11 No. 3, 2011, p.180.

<sup>31</sup> *Ibid.*

Unfortunately, besides Batik Zie, the other batik industries are less developed and well known. Salma Batik, Delima Batik and Batik Manggis have difficulty in marketing their products because the products are not yet known. This is where brand rights should play a role, consumers will basically choose a product that is already known, a product whose brand is registered and maintain the quality of its products will certainly be more attractive to customers to buy the product. Meanwhile, Cristal Batik, whose brand has been registered, is still difficult to market its products because it has just gained brand rights, so it is not too well known to many people, so that customer loyalty has not been created for the batik product.

The key to SMEs being able to survive in market competition is especially to face the free market competition of MEA 2020 in terms of product quality and good management. The management generally covers the fields of marketing, production, human resources (HR), and finance.

In the field of marketing management it is necessary to analyze the market by determining the strategy of market segmentation, target market determination strategies and market positioning strategies. These three strategies are keys in marketing management:

*i. Market Segmentation Strategy*

Market segmentation is the process of dividing markets into different groups of buyers based on needs, characteristics or behaviors that require a separate product mix and marketing mix. Or in other words market segmentation is the basis for knowing that each market consists of several different segments. Market segmentation is the process of placing consumers in sub-groups in the product market, so that buyers have responses that are almost the same as marketing strategies in determining the company's position.<sup>31</sup>

*ii. Target Market Determination Strategies*

Selection of the size or breadth of the segment is in accordance with the ability of a company to enter the segment. Most companies enter a new market by serving one single segment, and if proven successful, then they add segments and then expand vertically or horizontally. In examining the target market it must evaluate by examining three factors:<sup>32</sup>

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<sup>31</sup> Setiadi & Nugroho J, *Perilaku Konsumen: Konsep dan Implikasi untuk Strategi dan Penelitian Pemasaran*, Kencana, Jakarta, p 55.

<sup>32</sup> Umar H, *Strategic Management in Action, Konsep, Teori, dan Teknik Menganalisis Manajemen Strategis Strategic Business Unit Berdasarkan Konsep Michael R. Porter, Fred R. David, dan WheelanHunger*, PT Gramedia Pustaka Utama, Jakarta, 2001, p. 46.

- a. The size and growth of the segment.
- b. Structural victory in segments.
- c. Objectives and resources.
- iii. *Target Market Determination Strategies*

Positioning the market (positioning) is a strategy to seize the position of the minds of consumers, so this strategy involves how to build trust, confidence, and competence for customers. Marketing is very important to do, because marketing is a science concept in business strategy that aims to achieve ongoing satisfaction for stakeholders both for customers and the batik craftsmen themselves. For that product, batik production results are always intended to meet the needs and desires of consumers.

The right marketing will bring customers who are loyal to a product. Customer loyalty has an important role in a product, maintaining customer loyalty means improving the financial performance of business actors so that it can indirectly maintain business continuity.

#### **D. Conclusion**

Kampung Alam Malon holds the potential for batik that has not yet maximized its benefits. The basic problem is that the trademark has not been registered at the Directorate General of Intellectual Property of the batik product. Brands can increase the level of public knowledge about a product, so customers can get to know the product. When the brand goal is reached, only the business actor must work hard to maintain the quality of the product produced so that customer loyalty comes. If all aspects have been fulfilled, then the main problem, namely marketing, will be solved, because automatically if the customer is satisfied and familiar with the product, the sale will also proceed, so that it can indirectly improve the standard of living of the people of Kampung Alam Malon and also the natural color batik that remains sustainable.

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## H. References

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