The Influence of Product Attribute and Reference Group Towards Customer Value of Moslem's Wear Kerawang Handycraft In Gorontalo Province

Muchtar Ahmad
Gorontalo State University

ABSTRACT

This aims of the: (1) The customers responses toward the product attribute of value the Moslem wears of kerawang handycraft in Gorontalo province, (2), The influence of the reference group to toward the customers value of kerawang handycraft Moslem's wear in Gorontalo Province, (3), The influence of the products attribute and reference group toward the customers value of the kerawang handycraft of moslem's in Gorontalo province, in a partial or in simultaneous. The research has tested the hypothesis of attribute influence products and reference group towards customer value kerawang handycraft moslem's wear in Gorontalo province, in a partial or in simultaneous.

The research used explanatory survey. The study examined 86 customers of kerawang handycraft moslem’s wear. The sampling method was used the random sampling technique. The result of the study was analyzed by using the path analysis, statistic hypothsisis tested by F test and t test. The result of the research shows that kerawang handycraft especially moslem’s wear, product attribute and the reference group partial is as ways or in simultaneously influenced the customers value of in Gorontalo Province.

Keywords: Product Attribute, Reference Group and Customer Value.

I. Introduction

Kerawang craft is one form of small business industry engaged in kerawang embroidery, including Muslim fashion. The existence of Muslim fashion kerawang crafts in Gorontalo has an important role in regional economic development, especially the realization of national economic development. In the current national economic development, small businesses are an integral part of the business world, the Muslim fashion kerawang handicraft industry is a people's economic activity that has a strategic position, potential and role to realize a strong national economic structure.

In Articles 3 and 4 of Law No. 09 of 1995 concerning small businesses stated that small businesses are organized on the principle of kinship, and are empowered with the aim of growing and improving the ability of small businesses to become strong and independent businesses and can develop into medium-sized businesses.

Kerawang handicrafts in Gorontalo serve as forming a national production identity giving an expansion of employment opportunities and improving people’s welfare. Kerawang handicraft business plays an active role in improving the quality of life of the community, especially craftsmen and strengthening the people's economy as a basis for the strength and resilience of the national economy.

Kerawang craft is an industrial hand embroidery craft founded and made up of industrial entrepreneurs and small craftsmen in Gorontalo Province, in 1998 there were 450 units of kerawang craftsmen, but in 2007 recorded by the Department of Industry and Trade of Gorontalo Province only 125 units with more of 14,450 employees. More complete data on the condition of kerawang businesses in Gorontalo Province can be seen in:
Table 1
Data on State of Openwork Crafts in Gorontalo Province
In 2007

<table>
<thead>
<tr>
<th>Information</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Active Openwork Crafts (units)</td>
<td>125</td>
</tr>
<tr>
<td>Number of Employees (people)</td>
<td>14,450</td>
</tr>
<tr>
<td>Own Capital (Rp. Million)</td>
<td>7,024</td>
</tr>
<tr>
<td>External Capital (Million Rp)</td>
<td>5,716</td>
</tr>
<tr>
<td>Business Volume (Million Rp)</td>
<td>12,290</td>
</tr>
</tbody>
</table>

Source: Perindag Report\(^2\). In 2007

The significance of the role of the yield sector, especially home industry, in creating national economic competitiveness is relatively small considering that this sector generally still uses imported raw materials. The depreciation of the rupiah exchange rate against the US Dollar has a negative effect on the production activities of manufacturing companies whose import content is high, because high production costs have caused the selling price of the products to be no longer competitive, causing unrest among business people.

Kerawang craft is a small business experiencing a very bitter fate in times of economic crisis. Unlike other small businesses in Gorontalo Province, most of them experienced an increase in demand during the crisis, this business fell mired due to a combination of difficulties encountered. Muslim fashion openwork craft is a local product for Gorontalo people in particular, although it has more or less substitution properties for fabrics or other textile materials, but its use is increasingly limited to certain occasions, so that when the price increases all inputs for production force artisans to increase selling prices, this effort is very difficult to maintain. The demand elasticity of price increases for this product seems very high.

Gorontalo Province is known as an agropolitan city also known as a kerawang city, Gorontalo handicrafts have unique characteristics. As stated, (ASEPHI) Muchsin Ridjan said that kerawang products in particular have been known at the Southeast Asian level, this is evidenced by the expansion of kerawang embroidery marketing areas such as Palu, Makassar, Palangkaraya, Sumatra, Papua, Malang, Surabaya, Bandung and Jakarta and doing state-export countries include the Philippines, Malaysia and Singapore. (Source; ASEPHI 2007).

Muslim fashion kerawang products are fabric, usually oxford type (bed linen and tablecloth), belini (suit and safari), chiffon (women's clothing). Other types of santana, cotton duyun, friendship, accura, claudy, tetron, and ero. As a supporting material, crafters use threads, bases, motifs, corks, and fan handles.

Gorontalo specialty kerawang crafts have various types of products. The following are data on kerawang handicraft products;

<table>
<thead>
<tr>
<th>No.</th>
<th>Types of products</th>
<th>Year</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
</tr>
<tr>
<td>3.</td>
<td>Taplak meja</td>
<td>14.125</td>
<td>16.325</td>
<td>15.422</td>
<td>15.256</td>
</tr>
<tr>
<td>5.</td>
<td>Kipas</td>
<td>17.765</td>
<td>17.475</td>
<td>15.754</td>
<td>18.565</td>
</tr>
<tr>
<td>10.</td>
<td>Kerudung</td>
<td>15.432</td>
<td>15.643</td>
<td>15.424</td>
<td>15.234</td>
</tr>
</tbody>
</table>

Source; Company Report. In 2007

In addition to these conditions, based on the initial survey, researchers found that there were a number of fashion-type clothing customers who shifted the display of kerawang fashion products in Gorontalo Province which is located in the front to the bottom, replaced by modern Muslim fashion products and national batik. The reason the customers shifted the display of kerawang fashion products because in terms of Muslim fashion fashion kerawang has lagged in fashion and design and the price was too high. This reflects that the kerawang craftsmen, especially Muslim fashion, are unable to anticipate the level of competition and bridge the wishes of consumers, or reflect the lack of skills of field officers in communicating with customers, so that the opportunity is used by competitors to shift it. Thus, the concept of a reference group approach both individually, family, siblings, figures, Gorontalo daughters, friends or salesforce has not been as expected. So that it causes the competitor's product to be more dominant in the customer and this has an impact on the sales target that cannot be achieved.

The products that are the object of research are Muslim fashion openwork crafts, the reasons underlying the selection of the object of the research are the high intensity of the production of Muslim fashion kerawang crafts, and the low value of the product. The type of Muslim fashion openwork is almost 60 percent coming from national and foreign tourists, especially national tourism. Consumers use Muslim fashion kerawang products sometimes at certain times, for example; celebration preparations, weddings or other community activities. Allegedly the unpopularity of kerawang products is due to other factors such as; product quality is still not consistent; the design is less attractive and the typical Muslim fashion kerawang product brand is not yet widely known. Currently there is a decline in sales of kerawang Muslim fashion products in 2006. The indications are that in 2004 and 2005 sales of Muslim clothing types were 15,244 and 16,543 while in 2006 they were only around 15.431³.

³ Source; Department of Industry and Trade of Gorontalo Province, 2007.
Kerawang craft is a product that aims to meet the needs and desires of consumers for embroidery on certain products. This product can be interpreted as a product offered to consumers.

Temporary guess why customers are less interested in Muslim fashion kerawang crafts? because of the quality, design and other attributes that are less attractive, besides the role of reference groups such as figures, friends, and customers who have used this product has not been able to convince openwork credibility to consumers or the public, to enjoy the product optimally.

To increase the number of Muslim fashions kerawang customers, businesses in the kerawang industry must continue to strive for various ways by improving the quality of kerawang product attributes, especially in developing good relationships with customers.

One of the factors that can affect the level of customer integrity is the factor of information conveyed by friends, family, figures and salespeople as a reference frame for individuals in influencing customers of Muslim fashion kerawang products. Reference groups can influence customer behavior in delivering product information. The customer value of kerawang handicrafts can come from new craftsmen, service, sales force, family, friends, leaders, neighbors or other people who can influence customers in attracting consumers to buy Muslim fashion openwork products.

With the availability of quality products that have appeal, design, product accuracy and product durability can inspire customers to be able to re-purchase these products. Information support in offering a product will provide value and benefits even if it is proportional to the value of the product, will further enhance the credibility of each customer. Basically, consumers are more productive in making repetitive purchases, if the product offered is proportional to the value of benefits and sacrifices issued by consumers.

The phenomenon shows that the perceived benefits and customer sacrifices of openwork craftsmanship are not expected to lack of product attractiveness, consistency in the quality of kerawang products is not achieved and the absence of reference groups as information providers and lack of salesforce professional support as a source of information, so as not to convince customers or consumers. On the basis of the description above, it is felt very necessary to conduct research with the title "Effect of Product Attributes and Reference Groups on the Customer Value of Muslim Kerawang Crafts in Gorontalo Province".

1.1 Problem Identification
Based on the description of the background above, several problems can be identified as follows:

1. How do customers respond to the attribute values of Muslim fashion kerawang handicraft products in Gorontalo Province?
2. How do reference groups shape the customer value of Muslim fashion kerawang handicraft products in Gorontalo Province.
3. How much influence the product attributes and reference groups have on the customer value of Muslim fashion kerawang crafts in Gorontalo Province, both partially and simultaneously.

1.2 Research Objectives
Based on the purpose of the research above, several objectives can be formulated through this research, namely to:

1. Reviewing customer responses to the value of Muslim fashion kerawang handicraft products in Gorontalo Province.
2. Knowing the reference group forms the customer value of Muslim fashion openwork crafts.
3. Analyzing the magnitude of the role of product attributes and reference groups on the customer value of Muslim fashion kerawang crafts in Gorontalo Province.
1.3 Usability of Research
This research, both directly and indirectly, is expected to be useful for various parties involved, as follows:

1. Theoretical / Scientific Aspects
   a. Provide empirical evidence regarding the effect of product attributes and reference groups on customer value on kerawang handicrafts in Gorontalo Province.
   b. Provide information for other researchers who will carry out further research in the fields of product attributes, reference groups and customer values.

2. Practical Aspects / Usefulness
   a. Providing constructive thoughts on the existence of kerawang handicrafts, in terms of encouraging an increase in kerawang production that will provide satisfaction to consumers, which in turn will form a consistent product value.
   b. Provide formulation of development policies and openwork crafts for the government, and other related parties.

II. Framework
In this study, the basic theory (Grand Theories) are marketing theories, including the theory of product attributes, reference groups and customer values. This is based, that the product concerns what can be offered to the market to satisfy a desire or need (Kotler & Keller, 2006: 344). Product is something that has value in a target market where its ability to provide benefits or satisfaction including objects, services, organizations. Based on the understanding of the experts it can be seen that everything related to the product can be used by consumers, so that the product can have more value than other products.

Product attributes according to Kotler & Armstrong (2006: 228) is the development of a product that requires the company to determine what benefits the product will provide. These benefits are manifested in the form of brand, label, packaging, service and quality that greatly influence the customer's reaction to a product.
Producers strive to make the variables of the product conform to the wishes of consumers. Decisions that are important variables of product attributes are quality, brand, packaging, design, label and so on. Manufacturers hope that product attributes can provide benefits to all consumers so as to foster consumer interest.

Besides that, the reference group is a social influence in a consumer’s behavior. This reference group is the aspect of the micro social environment for consumers. Social interactions with reference groups often occur directly and face to face, which can provide a direct influence on affective responses, cognition and behavior in marketing strategies. Communication between reference groups and consumers occurs because consumers tend to look for information to parties who are perceived to be able to represent their beliefs, attitudes and behavior as well as their needs and desires.

Whereas Solomon (2004: 366) gives assert that the reference group as: "An actual or imaginary individual or group conceived of having significant relevance up on individual's evaluation, aspirations, or behavior.

Consumers tend to look for comparisons of their attitudes with reference group attitudes in an effort to maintain confidence. Marketers believe that the tendency of consumers to seek similarities by comparing attitudes is also reflected in the interaction of consumers and salespeople as communication will be more effective if consumers see that the seller has similarities in attitude, taste, character and other attributes that are considered important by consumers.

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Furthermore, customer value as a comparison ratio between the benefits felt by the perceived sacrifice. The perceived benefits are a combination of physical attributes, service attributes and available technical support related to the use of a product. While the perceived sacrifice is the total cost including the purchase price and starting cost (cost of acquisition, transportation, installation, handling orders) and post-purchase costs (repairs and maintenance, risk of poor performance).

Changes in the value of marketing is an approach that connects the marketing process with shareholder value, customer value, and employee value. Shareholder value is more measurable, easier to understand by investors and used as a financial measure. This shareholder value will be achieved if the company has superior customer value through competitive advantage that can be achieved through three main stages, namely value exploration, value creation, and value delivery: and all of them must be supported by all stakeholders.

Table 2. **Customer Value**

<table>
<thead>
<tr>
<th>Product Benefit</th>
<th>Service Benefit</th>
<th>Total Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Benefit</td>
<td>Total Cost</td>
<td>Customer Value</td>
</tr>
<tr>
<td>Personel Benefit</td>
<td>Time Cost</td>
<td></td>
</tr>
<tr>
<td>Image Benefit</td>
<td>Energy Cost</td>
<td></td>
</tr>
<tr>
<td>Monetary Cost</td>
<td>Psychic Cost</td>
<td></td>
</tr>
</tbody>
</table>

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III. Method

The theoretical approach used in this study is the approach to marketing management science and more specifically to the aspects of product attributes and reference groups towards the customer value of Muslim fashion openwork crafts.

This type of research belongs to descriptive research and verification research. Furthermore, to obtain research data, a survey method will be used which consists of consisting of primary data survey and secondary data survey. The primary data survey is intended to obtain data from the first source while secondary data is intended to obtain documentation data. Primary data is obtained from customers who have used Muslim fashion kerawang products, while secondary data is obtained by examining data obtained from administrative and publication sections that have been published by related industries.

Data collection techniques can be done by interview (interview), questionnaire (questionnaire), observation (observation) and a combination of the three. The three main techniques are as follows:

a) Observation
The researcher conducts direct observations of the object of research, in order to see directly the situation, and the conditions of the object of the research. This is done interactively where researchers are directly involved with the problem under study, both with the kerawang handicraft industry, as well as with customers who are currently purchasing Muslim fashion openings.

b) Interview
The researcher made direct communication to the manager of Muslim fashion openwork crafts and kerawang sales employees, by asking a number of questions that had been prepared beforehand.

c) Questionnaire
The researcher circulated a questionnaire in the form of a list of questions to respondents, namely customers who had used Muslim fashion kerawang handicraft products in Gorontalo Province. Previously submitted a letter requesting study to the Department of Industry and Trade of Gorontalo Province (ie Mr. Drs. Rusdin Pakaya, M.Sc) and CV. Karawang Indah (Namely Mr. Kadullah) to obtain research permission, then field observations and non-formal interviews with the intention, explain the intent and purpose of the appointment of the author's research title. Research permission is obtained after the process is carried out. Distribution of questionnaires is carried out within 30 working days, namely; on March 19 - 5 April 2008, questionnaires were distributed to 6-8 respondents every day. Considering the mileage of the customer to get to the Muslim fashion kerawang sales place on average only 1 km in the shopping centers of Regency and Gorontalo, making it easier for researchers in the process of circulating the questionnaire.
IV. Discussion Result
From the results of the analysis of the influence of product attributes and reference groups on the value of customers of Muslim fashion openwork crafts in Gorontalo Province, where simultaneously has a positive and significant influence with the magnitude of the influence is 71.2% and the influence of other factors 28.8%, meaning good product attributes and the reference group is an interrelated entity to build Muslim fashion kerawang customer value, if the product attributes are attractive, but the process of delivering information and communication in this case the reference group is not going well it will have an impact on the perceived value of the customer.

Thus, the product attributes and reference groups must be able to build the value of consumer attractiveness. Consumers assume product attributes consisting of:

1) Product quality, where product quality has a large influence on customer value. Quality is one of the tools that determines the position of the company in the market, because in marketing its products the market needs to determine the quality of products that will support its position in the market.

2) Brand, where the brand has an influence on sales for the company, therefore each company should be able to set a brand that can create a positive impression. The advantage of using a brand for buyers is to facilitate purchases in knowing the items they want, while the benefits for the company are to advertise and assist in making purchasing decisions. Brands that are easy to remember, have appeal, are clear and guarantee that they can give a good impression to customers who will be able to make repeat purchases.

3) The function of packaging is to protect the distribution process from producer to consumer. The packaging offered by the Muslim fashion kerawang industry to consumers is not varied, because it only consists of reasonable or ordinary packaging. So that packaging is expected to provide practical value and minimize physical damage to the product to a minimum.

4) Design is something that is considered important for achieving customer satisfaction. Attractive design will be able to improve product performance and can reduce production costs and can provide competitive advantages for companies in competition in the target market.

5) Label is part of packaging or is an etiquette that is attached directly to a product. Labeling on Muslim fashion kerawang packaging such as the inclusion of the name of the producing company aims to provide protection for consumers for the products purchased, so that consumers do not hesitate to buy and wear. If labeling is in accordance with the wishes and expectations of consumers, then the customer will feel satisfied so that they make a repeat purchase.

Theoretically, the reference group has a significant influence on customer value in almost all types of products. However, these influences vary for various product categories. That the influence of the reference group varies according to:

1. Types of luxury products or necessities.
2. Visibility - is the product used in public or private property.

In this study, it was found that the reference group had a very significant influence in the selection of types and brands of goods which were public luxuries, such as golf clubs or skiing. But when consumers want to buy goods needs, the influence becomes insignificant because consumers have felt the need for the product and will still buy it without entering from the reference group. Reference groups also influence the customer's decision to buy private luxury items. Conversely, necessity products such as soap or mattresses are not influenced by reference groups at all.
The influence of the reference group is not as strong as the type of product and consumptive activity. In summary, it can be concluded that even though the reference group generally has a significant direct influence on the value of the customer to buy, there are certain products where the influence has no effect at all. But in this study the results show that the reference group significantly influences the Muslim fashion kerawang customer value. Where the total influence caused by the reference group was only 28.80%. But besides that, the reference group also influences indirectly through product attributes.

The quality of the influence of the reference group on the decision to use this kerawang is not impossible to have no influence at all. The condition of the reference group can have an effect but it also cannot have an influence on the decision to use a product category, type or brand.

Based on the results of the research and the opinions of the experts above, it can be seen that:
1. Muslim fashion openings do not belong to luxury goods, but belong to the category of necessities (Bearden and Etzel).
2. When in a kerawang society not classified as a luxury item, the influence of the reference group becomes insignificant in the process of use. (Hawkins, Best and Coney)
3. The decision to use kerawang is not a high-risk decision. This condition affects the low influence of reference groups in the decision to use kerawang (Solomon).

The lack of influence of the reference effect on the customer value of Muslim fashion openings identifies that the reference group does not work optimally, or the dominant effect that occurs in the kerawang is a negative effect. The fact that the dominant negative effect occurs is a statement from customers who argue that the performance of Muslim fashion openings is not as good as its competitors, such as batik shows that the message that kerawang management wants to deliver does not arrive at the customer, or reaches the customer but does not have the desired effect happen.

To be able to encourage consumer desires towards a marketer, it is expected to focus on consumer value, be consistent in marketing strategies and focus on building things that attract consumers' attention (John R. Graham, 2003). Consumers try to get benefits. The benefits received are a combination of physical attributes, service attributes and technical support available in relation to the use of the situation. Treasury is very important for consumers in the perception of value.

This is defined by the views of consumers and includes monetary and non-monetary terms such as energy, time and effort. In terms of consumer costs, most respondents answered quite low or quite agreed. This means that the cost, time, energy expended by consumers to get the products they buy at shellfish stores is normal or reasonable, even though Muslim fashion openings are relatively new, but have been able to create consumer value to a sufficient level. But to be more attractive to consumers it is recommended that the kerawang craft industry increase the value of its consumers.

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