

THE STRATEGY OF THE BANDUNG CITY DEPARTMENT TRADE AND INDUSTRY TO DEVELOPED SMALL AND MEDIUM INDUSTRIES

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Article History

Received: 16.02.2024

Accepted: 24.02.2024

Published: 04.03.2024

Abstract: The Bandung City Department of Trade and Industry (DISDAGIN) is one of the regional apparatuses within the Bandung City Government which has the duties and functions of carrying out Development affairs in the field of Trade and Industry. The Department of Trade and Industry (DISDAGIN) for the City of Bandung, West Java, received an assignment to carry out the development of Small and Medium Industries (IKM) in the City of Bandung. The Bandung City Department of Trade and Industry (DISDAGIN) has attempted to provide guidance by providing facilities in the form of services, training and programs that industrial businesses in Bandung can participate in.

This study aims to determine the effect of the dimensions of Marketing Strategy and Service Quality on User Satisfaction using quantitative methods and descriptive approaches and the sampling used is probability sampling, namely simple random sampling with a sample size of 100 respondents. The analysis used includes validity test, reliability test, classical assumption test, multiple regression analysis, correlation coefficient, coefficient of determination and hypothesis testing.

Descriptively, User Satisfaction is considered very good, while the Marketing Strategy is descriptively considered good, and Service Quality is descriptively considered very good. There is a weak positive correlation between Marketing Strategy and User Satisfaction with a determination value of 24% and Marketing Strategy has no significant effect on User Satisfaction. Service Quality with User Satisfaction has a strong positive correlation, the determination value is 64.8% and Service Quality has a significant effect on User Satisfaction. Simultaneous calculation results with a sig value of $0.000 < 0.05$ means that the Marketing Strategy and Service Quality variables have a positive and significant influence on User Satisfaction. Based on this analysis, DISDAGIN of Bandung City designed the strategy to development Smal and Medium Industries.

Keywords: *Industri Kecil dan Menengah; Dinas Perdagangan dan Perindustrian Kota Bandung; Strategi Pemasaran; Kualitas Layanan; Kepuasan Pengguna.*

A. BACKGROUND

Small and Medium Industries (IKM/SMIs) according to Ministerial Regulation No. 64/M-IND/PER 7/2016, are all economic activities that process raw materials and utilize industrial resources to produce goods that have added value and higher benefits, then workers who receive a certain amount of income on a regular basis, and has an investment value, namely the value of land, buildings, machinery, equipment, facilities and infrastructure, excluding working capital used to carry out industrial activities.

After two years of being confronted by the Covid-19 pandemic, Indonesia's economy continues to gradually recover. The level of

public consumption, which is now increasing again, has also stimulated IKM activities in producing goods and services. According to the Directorate General of IKMA, (Press Release, Ministry of Home Affairs, 18 July 2022) The services provided by the Directorate General of IKMA are important to boost the ability of the IKM sector which has so far contributed greatly to the national economy. The Directorate General of IKMA of the Ministry of Industry routinely carries out technical guidance and assistance to WUB IKM in various regions so that they can upgrade to become innovative SMIs actors. The SMIs assisted by the Directorate General of IKMA can be seen in table 1.1 below.

Table 1: Data on SMIs assisted by the Directorate General of IKMA in Indonesia

Program	2021	2022	Increase
Training	6.258	12.700	6.442
Legal document	3.048	3.648	600

Sources: Press Release Kemenperin

The Department of Trade and Industry (DISDAGIN) for the City of Bandung, West Java, received an assignment to carry out the development of Small and Medium Industries (IKM) in Bandung City. DISDAGIN stated that as many as 28 small and medium industrial centers in the city of Bandung have great potential in efforts to boost economic growth. This can be seen from the number of IKM assisted by DISDAGIN in table 1.2 below:

Table 2: Data SMIs assessted by DISDAGIN Kota Bandung

No	Development Unit	No IKM	No of employee
1	Sentra Percetakan Pagarsih	76	442
2	Sentra Konveksi/Pakaian Jadi Cigondewah	54	241
3	Sentra Roti Kopo	15	83
4	Sentra Las Ketok dan Perbengkelan Karasak	24	105
5	Sentra Tahu Goreng Ujungberung	17	65
6	Sentra Sikat dan Sapu Cibiru	10	52
7	Sentra Rajut Binongjati	323	2535
8	Sentra Tahu dan Tempe Cibuntu	412	1830
9	Sentra Boneka Sukamulya	9	40
10	Sentra Kusen Astana Anyar	13	40
11	Sentra Batik Kampung Batik Cigadung	8	25
12	Sentra Tas Kebon Lega	41	266
13	Sentra Boneka Warung muncang	36	109
14	Sentra Oven Cimindi	5	9
15	Sentra Bengkel Las, Bubut Kebon Waru	55	93
16	Sentra Tahu Cibiru	7	24
17	Sentra Sepatu Cibaduyut	389	1627
18	Sentra Gorengan Tempe Leuwi Panjang	14	29
19	Sentra Rajut Margasari	8	62
20	Sentra Suku Cadang Kiaracandong	41	105
21	Sentra Kaos dan Sablon Suci	230	737
22	Sentra Pindang Margasari	9	14
23	Sentra Opak Cigondewah	6	21
24	Sentra Pakaian Jadi Bayi Hantap	11	96
25	Sentra Tempe dan Oncom Situ Saeur	13	11
26	Sentra Kerupuk Palembang	5	42
27	Sentra Parabot dapur Warung Muncang	16	23
28	Sentra Pakaian Jadi Anak Pagarsih	19	51
		1.866	8.777

Source: Bidang 4 DISDAGIN (2022)

DISDAGIN Bandung City has attempted to provide guidance by providing facilities in the form of services, training and programs that industrial businesses in Bandung City can participate in. DISDAGIN has conducted training and assisted SMIs actors in promoting their products. The promotions in question are the Go Export Program, the Creative Market, the Bandung Week Market, the Bandung Hijab Festival, the Cibaduyut Center Festival, and the Industrial Center Festival. DISDAGIN has presented several of these programs to expand the market and increase the promotion of SMIs actors.

In addition to the promotion of DISDAGIN, the city of Bandung also provides consulting services and services for making NIB, Halal Certification, Product Quality Testing and SNI for SMIs actors in Bandung City. In an effort to improve services on the legality aspect, DISDAGIN of Bandung City opened access to assistance services through OSS which provides NIB manufacturing facilities for business actors, especially SMIs.

With the efforts that have been given by DISDAGIN of Bandung City, there are still many weaknesses in the service so that it has not been able to meet the quality expected by DISDAGIN service users. This is indicated by the existence of various complaints from users of the DISDAGIN service which are conveyed through the mass media or directly to service providers, which can lead to an unfavorable image of government officials. DISDAGIN of Bandung City must redesign their strategy to improve the capability of Small and Medium Industries in Bandung City.

B. PROBLEM FORMULATION AND RESEARCH OBJECTIVES

1. Explain the influence of DISDAGIN Bandung City Marketing Strategy Determination on SMIs.
2. Explain the influence of Service Quality conducted by DISDAGIN Bandung City on SMI Satisfaction.
3. Explain the influence of the Determination of Marketing Strategy and Service Quality of DISDAGIN on SMIs Satisfaction.
4. Describe redesign of strategy to improve the capability of Small and Medium Industries in Bandung City

C. RESEARCH METHODOLOGY AND SAMPLE TECHNIQUES

The research used by the author is a quantitative method with a descriptive approach emphasizing on numerical data obtained through data processing using SPSS. This research was conducted to analyze the effect of the independent variable on the dependent variable, Marketing Strategy (X1) and Service Quality (X2) as independent variables. The effect on the dependent variable was analyzed, in this case the satisfaction of DISDAGIN service users (Y), namely SMIs actors.

The questionnaire was compiled and uploaded to the Google Form, then forwarded via Whatsapp to the selected respondents according to the data obtained from the Disdagin Kota Bandung. Respondents

filled out online and the results of completing the questionnaire were tabulated using SPSS2.6.

The population of this study is all Disdagin-assisted IKMs totaling 1,866 according to table 1.2. Samples were taken by random sampling using a non-probability sampling method. By using the Slovin formula, a sample of 67 was obtained with the following calculation:

$$n = \frac{N}{1 + N^e}$$

$$\text{Then } \frac{1.866}{1 + 1.866 (0.10)^2} = 94,95 \sim 95$$

Where:

n = Sample size

N = Population

E = tolerate degree of error to choose sample

D. DESCRIPTION OF RESEARCH RESULTS

1. Classical Assumption Test

a. Normality test

The following are the results of the Normal Probability Plot chart:

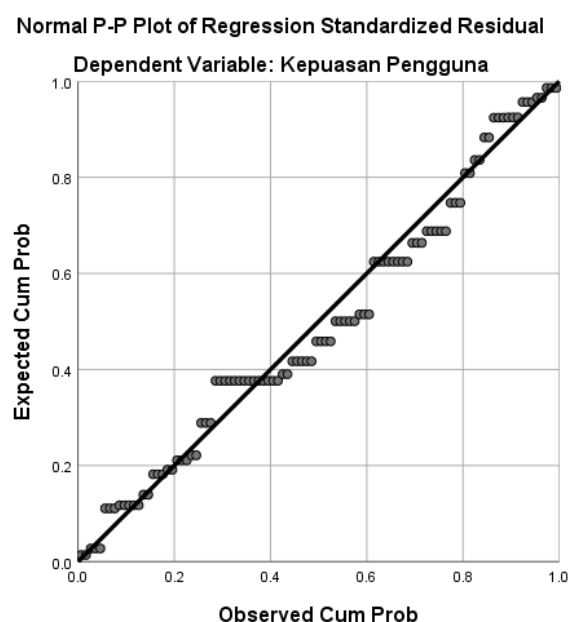


Figure 1: Normal Probability Plot Graph

Source: Primary data processed (2023)

Based on Figure 1 above, the results of testing the distribution using the normal probability plot can be seen that the dots in the image spread around the line by following the diagonal line, which means that the incoming respondent's response data is considered distributively normal.

b. Heteroscedasticity Test

The results of the heteroscedasticity test were obtained as follows:

Table 3: Heteroscedasticity Coefficient Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.121	.456		9.035	.000
	Marketing Strategy	-.052	.020	-.237	-2.648	.012
	Service Quality	-.139	.027	-.461	-5.141	.008

a. Dependent Variable: Abs_Res

Source: Questionnaire data processed by SPSS 26 (2023)

Based on Table 3 it can be seen that the significance value of the Marketing Strategy variable is 0.012, Service quality is 0.008. This means that from the results of these data there is no heteroscedasticity problem because the significance value is greater than 0.05.

c. Multicollinearity Test

The results of the multicollinearity test are shown in table 4 as follows:

Table 4: Multicollinearity Coefficient

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.220	.944		3.412	.001		
	Marketing Strategy	.140	.042	.204	3.362	.001	.745	1.342
	Service Quality	.724	.060	.736	12.147	.000	.745	1.342

a. Dependent Variable: SMIs Satisfaction

Source: questionnaire data processed by SPSS 26 (2023)

Based on the results in Table 4 it is known that the tolerance value for the independent variable Marketing Strategy is 0.745, Service Quality is 0.745. While the VIF value on the Marketing Strategy independent variable is 1.342, Service Quality is 1.342 which has a value less than 10,000. then, it can be concluded that there are no symptoms of multicollinearity where the research variables used do not have a relationship with one another.

2. Multiple Regression Analysis

The results of data processing for the multiple regression model in table 5 are as follows:

Table 5: Multiple Regression Testing

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.220	.944		3.412	.001		
	Marketing Strategy	.140	.042	.204	3.362	.001	.745	1.342
	Service Quality	.724	.060	.736	12.147	.000	.745	1.342
a. Dependent Variable: SMIs Satisfaction								

Source: questionnaire data processed by SPSS 26 (2023)

Based on table 5, the multiple linear regression equation can be obtained as follows:

$$Y = 3,220 + 0,170 X_1 + 0,724X_2$$

3. Simultaneous Correlation Coefficient Analysis

Following are the results of the simultaneous correlation coefficient analysis in table 6 as follows:

Table 6: Simultaneous Correlation Coefficient

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 ^a	.674	.667	1.144
a. Predictors: (Constant), Strategi pemasaran, Kualitas pelayanan				
b. Dependent Variable: Kepuasan Pengguna				

Source: questionnaire data processed by SPSS 26 (2023)

Referring to table 4.30, the correlation between marketing strategy and service quality with simultaneous user satisfaction is 0.821, meaning that there is a very strong relationship between the two variables because it is in the interval 0.800 – 1.000 and the correlation is positive indicating that if the marketing strategy and service quality are with user satisfaction will also increase, conversely if the marketing strategy and service quality decrease simultaneously, user satisfaction will also decrease.

4. Coefficient of Determination

The results of calculating the Coefficient of Determination simultaneously obtained the following conclusions:

Table 6: Test of the Coefficient of Determination X1 X2 Against Y

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 ^a	.674	.667	1.144
a. Predictors: (Constant), Marketing Strategy, Service Quality				

Source: questionnaire data processed by SPSS 26 (2023)

$$Kd = R^2 \times 100\%$$

$$Kd = 0,674 \times 100\% = 67,4\%$$

Based on table 6 it can be seen that the R square result (coefficient of determination) is 0.674. That is, 67.4% marketing strategy and service quality have a strong influence on user satisfaction. While the remaining 32.6% is influenced by other factors not examined.

5. Hypothesis Testing

a. Partial Hypothesis Test (t test)

From the results of the partial hypothesis test (t test) the following results are obtained:

Table 7: t test (Partial)

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	4.359	1.008		.000
	Marketing Strategy	.120	.044	.177	.007
	Service Quality	.680	.060	.729	.000
a. Dependent Variable: Kepuasan Pengguna					

Source: questionnaire data processed by SPSS 26 (2023)

Referring to the results of the analysis in table 7, the following output is obtained:

1) Marketing Strategy

Significant level (α) of 5% and degrees of freedom (v) = $100-2 = 98$ obtained t table value of 1.66055. From the table above it shows that the marketing strategy has a t count value $< t$ table ($2.761 < 1.66055$) and with a sig value of $0.007 < 0.05$, then H_0 is rejected and H_1 is accepted which means that partially there is influence from the marketing strategy on user satisfaction.

2) Service Quality

Significant level (α) of 5% and degrees of freedom (v) = $100-2 = 98$ obtained t table value of 1.66055. From the table above it shows that service quality has a t count $> t$ table ($11,356 > 1.661$) and with a sig value of $0.000 < 0.05$, then H_0 is rejected and H_1 is accepted which means that partially there is an influence from Service Quality on User Satisfaction.

b. **Simultaneous Hypothesis Test (Test F)**

Table 8: Simultaneous Test (Test F)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	262.002	2	131.001	100.089	.000 ^b
	Residual	126.958	97	1.309		
	Total	388.960	99			
a. Dependent Variable: User Satisfaction						
b. Predictors: (Constant), Marketing Strategy, Service Quality						

Source: questionnaire data processed by SPSS 26 (2023)

Based on the calculation results in table 8 above, it can be seen that the calculated F is 100.089 with a p -value (sign) of 0.000 with $\alpha = 0.05$ and degrees of freedom $N_2 = 100 - 2 = 98$ and $N_1 = 2-1 = 1$, then we get the F table value is 23.94 meaning that F_{count} is greater than F table ($100.089 > 3.94$) and a significance level of $0.00 < 0.05$ then H_0 is rejected and H_1 is accepted. Thus the research hypothesis which states that marketing strategy (X_1), and service quality (X_2), simultaneously have a significant influence on User Satisfaction (Y) is accepted statistically (significant).

6. Redesign Strategy of DISDAGIN of Bandung City

Based on the analysis, DISDAGIN of Bandung City can redesign Strategy to improve capabilities of Small and Medium Industries in Bandung City as follow:

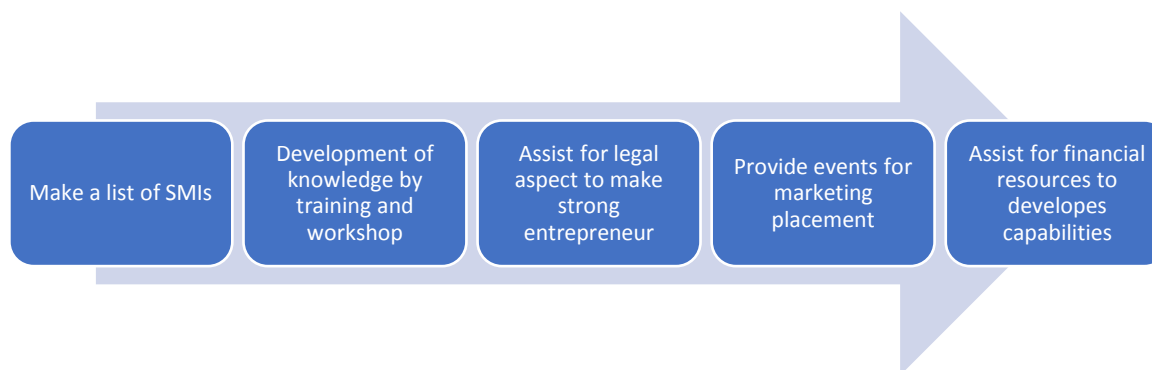


Figure 2: Strategy to improve capabilities of Small and Medium Industries in Bandung City

Source: Primary data (2023)

Redesign Strategy of DISDAGIN of Bandung City:

- Disdagin of Bandung City must be reinventarised all of Small and Medium Industries in Bandung City and separate it with a few sector.
- Running some training and workshop depend on the industry sector to development of knowledge the SMIs
- Assist for legal aspect to make strong entrepreneur
- Provide marketing events and marketing placement for SMIs

- Assist for financial resources to develop capabilities.

E. CONCLUSIONS AND SUGGESTIONS

1. Conclusion

- From the calculation results it is known that the Marketing Strategy variable (X_1) has a significant influence on User Satisfaction (Y) because the hypothesis results are greater than the established significance. This is reinforced by the absence

of a correlation between Marketing Strategy and user satisfaction.

- b. From the calculation results it is known that the Service Quality variable (X_2) has a significant influence on User Satisfaction (Y) because the hypothesis results are greater than the established significance. This is reinforced by the absence of a correlation between Service Quality and User Satisfaction.
- c. From the calculation results it is known that the marketing strategy and service quality variables have a significant influence on user satisfaction (Y) simultaneously because the hypothesis results are smaller than the established significance.
- d. From the analysis of a correlation between Marketing Strategy, Service Quality and User Satisfaction, DISDAGIN of Bandung Strategy can redesign the strategy to improve capabilities of Small and Medium Industries in Bandung City.

2. Recommendation

- a. Based on the results of research on the variable user satisfaction, it shows that there are still many IKM actors who do not participate in coaching activities carried out by DISDAGIN. DISDAGIN to be more active in communicating both directly and indirectly such as broadcasting regularly so that it can remind the interest of IKM actors in participating in every coaching.
- b. Based on the results of research on marketing strategy variables, it shows that there are still many IKM actors who are dissatisfied with the pricing given by DISDAGIN. DISDAGIN to rearrange the sales price planning to be more evenly distributed as a whole.
- c. Based on the results of research on service quality variables, it shows that there are still many IKM actors who feel dissatisfied with the direction of the information guide and service process flow provided by DISDAGIN. DISDAGIN to improve services by facilitating any information instructions needed by IKM actors.
- d. Based on redesign of DISDAGIN of Bandung City Strategy will be improve capabilities of Small and Medium Industries in Bandung City.

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