

The Influence of Relationship Marketing, And Green Marketing Toward Business Sustainability On MSMEs Kab. Bandung

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ABSTRACT

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This study aims to find out the influence of Relationship Marketing, and Green Marketing to the Sustainability Business on SMEs (small and medium-scale Enterprise) in Kab. Bandung. Finding relation between variables allows this study to find the best strategy marketing to maintain the sustainability business of SMEs in Kab. Bandung. With the number of respondents as many as 100 SMEs, the instrument in the questionnaire is measured using a Likert scale (5 scales) then the data was processed with SPSS, while the variables are 1) Independent Variables consisting of Relationship Marketing, Green Marketing, 2) Dependent Variable is Sustainability Business. The used analysis in this study is multiple regression. The results show that Relationship Marketing and green marketing has a positive and significant effect on Sustainability Business. The study discusses the results and give constructive suggestions for maintaining the sustainability business of SMEs.

Keywords: Relationship_Marketing, Green_Marketing, Sustainability_Business, SMEs.

1. INTRODUCTION

Micro, small and medium enterprises (MSMEs) have an important role in building and developing the national economy. Micro, small and medium enterprises (MSMEs) are also the driving force for the recovery process from the economic downturn. In the last 25 years, the contribution of MSMEs to GDP has been stagnant at around 60%. The stagnation of the growth contribution of the MSME sector's contribution to GDP is related to competitiveness (Setyorini et al., 2022).

Bandung Regency is an area in West Java, which has vast business potential so that many business people appear in various fields, but this actually makes a phenomenal one where a lot of business people can't stand the competition. Due to the limited knowledge of information technology which can basically support business continuity and the performance of these business people.

According to the official website of Open Data Jabar 2021, Bandung Regency is one of the districts that has the most MSME actors in West Java with a total number of MSMEs of 476,954 MSMEs. However, the development of MSMEs is still difficult because it is constrained by several things. Starting from the quality of HR (Human Resources), capital, to marketing strategies.

The global economic and financial crisis, the increased competition brought on by the business environment's globalization, rapidly changing customer expectations and behavior, and a more complex corporate environment have all called into question the viability of businesses. In such circumstances, successfully establishing and managing customer connections is essential to gaining a sustainable competitive advantage. In fact, keeping long-term customer relationships enables businesses to earn more money on a regular basis without incurring the high costs of bringing on new customers (Affran et al., 2019).

Relationship marketing is a key strategic for changing consumers' attitudes (rational and emotional), including their engagement with and attachment to a company or brand, their price tolerance, and their behavioral responses, including their willingness to repeat purchase, their intent to refer, and word-of-mouth recommendations received orally. Relational marketing is the development of organizational cultural ties with clients with a purpose to meet both clients' and clients' needs (Affran et al., 2019). The customer now determines the direction of the business, capturing their interest, meeting their needs and demands, and keeping current customers. Previously, the business's focus was on the product (Lerro et al., 2019).

Green marketing helps customers make informed choices that may contribute to environmental problems. This is a key asset, as conscientious customers care about the products they buy and use, and will therefore become more active in purchasing green products, which results in increased sales (Chinomona, 2016). In the green marketing tradition, organizations release environmentally friendly products or create a suitable environment around them by using eco-friendly packaging, making products recyclable and reusable, using green energy to produce products, designing products from recycled materials to reduce waste, and choosing to sell locally to reduce transportation energy. A large amount of money and resources are now spent on advertising and product promotion, because green marketing also requires increasing consumer awareness of green products, in some cases using social media to post related to green marketing (Widyastuti, 2019). Based on that this research will attempt to investigate the relationship between Relationship marketing, Green marketing and Business sustainability on MSMEs at Kab. Bandung.

2. LITERATUR REVIEW

a. Relationship Marketing

Relationship marketing is defined as a company's process of building long-term alliances with customers and potential customers, working together to achieve specified goals. These objectives are met by understanding consumer needs, treating consumers as partners, ensuring that employees fulfill customer satisfaction and provide good quality to consumers (Hollensen, 2019). A business that adopts relationship marketing will improve its business performance. Relationship marketing impacts the performance of the organization and increases the financial bottom line in the end will improve their sustainability business (Wahab, 2010).

Long-term relationships between companies and customers can result in sustainable development of their business. Marketing managers define processes in the company to ensure long-lasting customer satisfaction (Saclemente-Tellez, 2017). Marketing, communication, service processes in the company and appropriate technology that allows companies to manage customer relationships are used in these processes. The business strategy is focused on developing and maintaining the maximum value from the company and customer relationships that lead to business sustainability and increased profitability (Hitka et al., 2019). According to Paduraru et al. (2016), a positive relationship can maintain a business sustainability.

b. Green Marketing

The AMA defines green marketing as the commercialization of products deemed responsible for protecting the environment, combining several activities such as product modification, production process changes, packaging, advertising strategies, as well as general awareness of the marketing rules of an industrial product.

Green marketing helps customers make choices based on the information that may contribute to environmental concerns. This is a key asset, as conscientious customers care about the products they buy and use, and will therefore become more active in purchasing eco-friendly products, resulting in increased sales (Naidoo and Verma, 2020).

In the green marketing tradition, organizations release environmentally friendly products or create a suitable environment around them by using eco-friendly packaging, making products recyclable and reusable, using green energy to produce products, designing products from recycled materials to reduce waste and choose to sell locally to reduce transportation energy (Popescu, 2022).

The concept of green marketing is also very evocative in supporting conventional businesses and local products in certain areas. The Business Dictionary defines green marketing as promotional activities that take advantage of changing consumer attitudes towards a brand. These changes are increasingly influenced by company policies and practices that affect environmental

quality and reflect public concern. It can also be seen as promoting products that are safe or beneficial for the environment (AlQershi et al., 2021).

c. Business Sustainability

Entrepreneurs certainly want a business that is run thriving and sustainable. The existence of a business will be beneficial if the business environment is able to accept the existence of a business. Sustainability itself means that the business that is run will continue to operate or develop for the long term. Some businesses can be found to have business continuity for generations. The leadership passed down by the first owner to his descendants, makes the business continuity will continue. This long-term value can be increased consistently and stable in business performance that can implement economic, social and environmental values Berne-Manero & Marzo-Navarro, 2020).

According to Thompson & Norris (2021) business sustainability is a stability of the state of the business, where sustainability is a system of business continuity that includes addition, continuity and approaches to protect business continuity and business expansion.

According to AlQershi et al. (2021) business Sustainability is a business effort to inhibit negative environmental and social effects so that future generations will have adequate resources to meet their needs. Success in the global market that has good quality will make Business Sustainability safe for the environment. Based on the above understanding, it can be concluded that business sustainability is a business that continues from time to time from time to time in the long term with the same leadership, so as to maintain the results of the products produced.

Internal and external factors affect business sustainability. Human resources and leadership styles, corporate governance and management are internal factors that can affect the sustainability of the company, such as the support of company resources (Sarmawa et al., 2020). Marketing is one aspect of management that can affect business sustainability.

d. Research Framework and hypotheses

Base on the the literature review the research famework and hypotheses for this study:

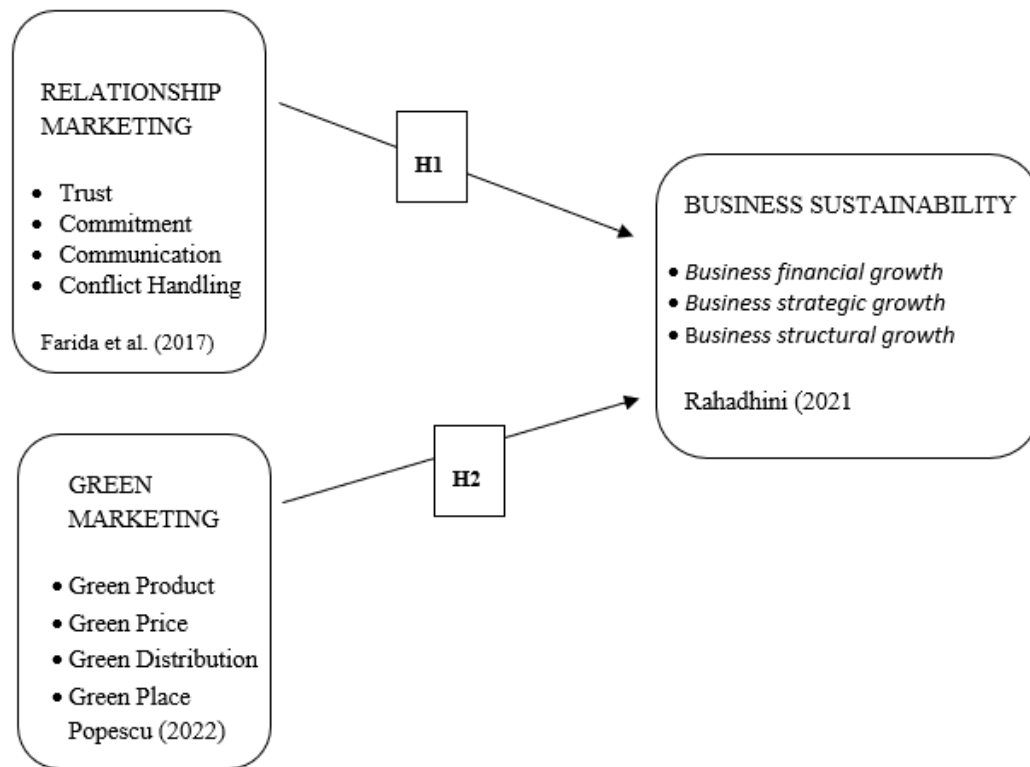


Figure 1. Research framework

Hypotheses:

H1 ; Realtionship Marketing has positive influence on Business Sustainability on MSMEs at Kab. Bandung

H2 : Marketing Green has positive influence on Business Sustainability on MSMEs at Kab. Bandung

3. RESEARCH METHOD

a. Research Design

The deductive approach used in this study is to develop hypotheses based on existing theories, then design research strategies to test these hypotheses. The purpose of this study was to determine the effect of Relationship Marketing, Green marketing on the sustainability of SMEs in the district. Bandung, this study measures the concept quantitatively. There are two sources of data in this study, namely primary data and secondary data. The primary data collected to support this research is from a questionnaire. Secondary data collected to support this research is data on MSMEs condition . The data will be processed by statistical procedures using SPSS.

b. Population and Sampling

The population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sekaran & Bougie 2020). The population of this study is all MSMEs in Bandung Regency, amounting to 476,954. The sample is part of the number and characteristics possessed by the population. While the sampling technique in this study uses non-probability sampling by convenience sampling (Sekaran & Bougie 2020). The total population in this study was 476,954 people, so the sampling technique used was the Slovin formula., based on the results of the Slovin formula, the number of samples was 100 respondents. The respondents represent the entire population.

c. Research Instruments and Analysis

In this study, the main research instrument was used in the form of a questionnaire. This questionnaire is used to obtain response data regarding a person's attitudes, behavior and perceptions

regarding justice. The choice of answers using a Likert Scale, the measuring instrument uses a scale of 1 to 5 in this study (Sugiyono 2017).

Before using the instrument, it was tested first with validity and reliability tests. According to Sugiyono (2017) the validity test is the degree of accuracy between the data that occurs on the object of research and data that can be reported by researchers. For the reliability test, which is to test whether the questions given can be understood so that the measurement results are consistent. Furthermore, the data that has been collected is analyzed using regression analysis with the SPSS software tool, simple regression is based on a functional or causal relationship of one independent variable with one dependent variable (Sugiyono 2017).

4. RESULTS AND ANALYSIS

a. Profile Respondent

The profile of sampled respondents in the survey shows that the majority of the gender entrepreneurs in MSMEs in Bandung Regency are women with a percentage of 62%, for the majority age 28-37 years old with a percentage of 49%, the age indicates productive age, and the majority of respondents have businesses in the sector handicraft with a percentage of 47%, for details in the following table:

Table 1 Characteristics of Respondents

Gender	Frequency	Persentase
Pria	38	38%
Wanita	62	62%
Total	100	100 %
Age	Frequency	Persentase
18-27	31	31%
28-37	49	49%
38-47	16	16%
>47	4	4%
Total	100	100 %
Product Type	Frequency	Persentase
Foods	28	28%
Clothes	21	21%
Handicraft	47	47%
Others	4	4%
Total	100	100 %

b. Coefficient Determination (R^2)

The coefficient determination is used to measure the ability of regression model to explain variations in the dependent variable. Coefficient of adjusted R squared is used to find out the amount of relationship marketing and green marketing to represent business sustainability on MSMEs at Kab.Bandung.

Table 2 Result of Adjusted R-Squared Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828 ^a	.686	.679	3.70754

a. Predictors: (Constant), Green Marketing, Relationship Marketing

Source: The processed primary data, 2022

According to result of SPSS it is found that Adjusted R^2 is 0,679, it means the influence of relationship marketing and green marketing toward business sustainability variable is 67,2 % . Whereas, the amount of other factors is 32.8 %.

c. Hypothesis test

t test is used to determine the value of coefficients of multiple linear regression partially between independent variable (relationship marketing, green marketing) on dependent variable (business sustainability).

Table 3 Result of t-Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.974	2.573		1.156	.251
Relationship Marketing	.295	.047	.387	6.243	.000
Green Marketing	.548	.057	.594	9.565	.000

a. Dependent Variable: Sustainability Business

Source: The processed primary data, 2022

1) Hypothesis formula X1

sig 0,000 < 0,050 so that H1 is accepted

H1= Relationship marketing has significant influence to business sustainability.

It means if relationship marketing changes, business sustainability will also change.

2) Hypothesis formula X2

0,000 < 0,05 so H2 is accepted

Ha2 = Green marketing has significant influence to business sustainability.

It means if green marketing changes, business sustainability will also change.

d. Multiple Regression Analysis

Multiple regression analysis aims to determine the influence of more than one independent variable on one dependent variable (relationship marketing, green marketing) to a dependent variable (business sustainability). The calculation based on the outcome in table below:

Table 4 Multiple Regression Calculation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.974	2.573		1.156	.251
Relationship Marketing	.295	.047	.387	6.243	.000
Green Marketing	.548	.057	.594	9.565	.000

a. Dependent Variable: Sustainability Business

Source: The processed primary data, 2022

The equation of multiple regressions is based on table 4.20:

$$Y = 2.974 + 0.295X_1 + 0.558 X_2$$

The explanation:

The Constanta, It means that if relationship marketing (X1), green marketing (X2) are 0 ,business sustainability (Y) is 2.974.

Relationship marketing (X1) positively influences the business sustainability (Y). It means that, if relationship marketing increases so that business sustainability will also increases. Green marketing (X2) positively influences the business sustainability (Y). It means that, if Green marketing increases so that business sustainability will also increases.

5. CONCLUSION

The result and discussion of this research was clearly achieved the objectives, answered the question and confirmed the hypotheses. relationship marketing and green marketing has positive and significant influence on business sustainability on MSMEs at Kab.Bandung. The better relationship marketing applied in the business, the better business sustainability will be and vice versa. Then green marketing, the better green marketing strategy applied, the better business sustainability on MSMEs at Kab.Bandung will be, and conversely. Based on multiple regression

analysis shows that green marketing has the highest coefficient value, therefore green marketing is the most dominant factor business sustainability on MSMEs at Kab.Bandung. Maybe this is because there is an increase in awareness of ecofriendly among the community so that applying green marketing is the right strategy at this time. So thus MSMEs at Kab. Bandung have to apply green marketing strategy to maintain their business sustainability although relationship marketing have lower impact , MSMEs still have to consider relationship marketing to be applied in their business because relationship marketing also has an influence on business sustainability. Number of limitations were observed during this research. First, the study was restricted to four factors only; namely relationship marketing, green marketing, and business sustainability of MSMEs. Future research could also include other factors which contribute to business sustainability such as human resource aspect. The respondent from this reseach majority is handicraft MSMEs , future research can try to examine respondent who are more diverse respondents because it is can effect the result.

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