
Kelantan Batik: What Makes it a Preferred Product?

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Abstract — Recently, batik has transformed into a new modern style that brings new attraction and fabulous design to people in Malaysia as well as at international level. This kind of transformation has changed the traditional methods of producing batik into new and modern ways that bear the current lifestyle. The emergence of digital printed imitate batik in the batik industry has provided an alternative selection over original batik to customers. This digital printed imitate batik has allowed counterfeiting activities in batik industry specifically for Kelantan batik product. For that reason, this study aims to identify the factors that influence customer preferences in purchasing Kelantan Batik. A questionnaire-based survey was used as data collection method and a total of 151 usable questionnaires were collected to confirm the underlying constructs empirically. Data were analysed to obtain descriptive statistics, to compare mean analysis and to conduct regression analysis for test of relationship. The results suggested that quality becomes a prominent variable when it comes to customers purchasing Kelantan Batik, followed by brand image. The findings of this study may assist Kelantan batik entrepreneurs to identify areas for improvement especially in formulating the future marketing strategies.

Keywords - Brand Image, Customer Preferences, Kelantan Batik, Price, Quality

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I. Introduction

The batik commercialization started around 1960s and its design received much influence from Malaysia's culture and Javanese culture. In Malaysia, the production of batik is mostly made at the East Coast of Malaysia namely Kelantan, Pahang and Terengganu. Currently, batik has become popular throughout the country. As a matter of fact, the United Nation Agency for Education, Science and Culture or UNESCO has recognized batik as one of the world heritage products and declared batik as the Masterpiece of Oral and Intangible Heritage of Humanity in 2009 (Rahadi, Rahmawati, Windasari & Belgiawan, 2020). During this year, batik has transformed into a new modern style that brings new attraction and fabulous design to people in Malaysia as well as international level. This kind of transformation has converted the traditional method of producing and processing batik into the new and modern ways that bear the current lifestyle.

Malaysia is known as one of the most competitive countries among other ASEAN-5 countries which are Indonesia, Malaysia, the Philippines, Singapore and Thailand (He, 2012). In the last two decades, due to high demand from customers, the competition of batik products has become a major challenge among the firms in Malaysia. Firms are not only competing with their local competitors but also from foreign competitors (Kim, 2004). Recently, the Malaysian craft industry earned a total of RM465.5 million profits between January and November 2019 and 34% of the profits came from the sale of batik products (Basir, 2020). Therefore, the companies which have met the competitive priorities can survive in the market (Singh, 2007). In meeting these competitive priorities, they need to have a stronger core competencies and comparative advantages that can be provided by different solutions such as technology, price and, etc. In addition to the above aspects, managers' decision making and actions also play important roles in company's success. Managers can make a better decision when they have more information about the factors that affect the performance of a company. Moreover, company's performance is related to customers' demand and preferences. Customer preferences towards the product have a greater influence on company's performance and revenue.

Kelantan Batik is well known among Malaysians especially batik lovers. The popular types of Kelantan Batik are batik crepe and cotton shirt for male, whereas dress crepe and cotton with a variety of designs like leaves and florals for female. The price of batik depends on the layer of the design and its exclusiveness; for instance, Royal crepe, Galaxy crepe, Balqis crepe and Abstract crepe. The batik makers produce a variety of designs to meet the customer's demand. The customization process maintains its exclusiveness; thus, local manufacturers enjoy distinctive advantage compared to foreign manufacturers.

In a competitive fashion market, the consumer products of the manufacturing industries pay attention on customer preferences to maintain their reputation in the market and enhance their goodwill. Their preferences are influenced by factors such as quality, price, and behaviour to create good business relationship with the company. Usually the cost of batik ranges from RM230 to RM600 depending on its design. The price is considered quite pricy for medium and lower income group. This becomes an issue among batik manufacturers and producers to defeat the 'imitation' batik that is currently sold in the market.

Furthermore, this counterfeiting outfit will ruin the image and the exclusivity of original batik where the customers who come all the way to Kelantan will be hesitated to purchase exclusive batik. Most importantly, counterfeits can negatively impact a company's reputation and cost millions, sometimes billions, in lost revenue (Sangani, 2010). As mentioned by Levin (2009) American businesses and industries lose approximately \$200 billion in revenues annually due to counterfeits. On a broader scale, counterfeit goods account for more than half a trillion dollars each year. This kind of problem is definitely going to arise some misunderstanding towards the quality of batik itself. In fact, local batik manufacturers are having a hard time trying to protect their original handcrafted designs from being copied and mass produced digitally in China. Although advancement in digital printing has led to cheaper products, nevertheless, it loses in terms of quality (Zakaria, 2019).

Based on the issues discussed above, the study attempts to explore the customer preferences in purchasing Kelantan Batik. The scope of this study is in Kelantan. This study is expected to achieve two objectives; (i) to examine the relationship between quality, price, brand image and customer preferences towards Kelantan Batik and; (ii) to examine the most important factor that enhances customer preferences.

II. Literature Review

2.1 Customer Preferences

Preference is a consumer attitude towards one's choice of brand product which is formed through an evaluation over a wide range of brands in a wide selection of available products (Nofita & Sriyudha, 2018). Customer preferences consist of various elements to be considered before they make a decision to purchase such as the customers' income, the price of the product and the quality of the product, which involve multi-step decision making process in order to satisfy customer needs and wants in the marketplace (Anojan & Subaskaran, 2015). Prior study was conducted on Indonesia Batik and the findings reported that nowadays customer preferences are twisted towards social media as a source of reference before purchasing batik products and the customers prefer traditional batik with modern style design (Rahmawati, Windasari, Rahadi, & Belgiawan, 2019). Furthermore, factorial analysis confirmed that price, quality, branding and tangibility are important elements that influenced customer preferences (Abdullah, Abdurahman, & Hamali, 2013).

2.2 Quality

Product quality is a product's ability to satisfy a customer's needs or requirements (Perreault & McCarthy, 2002). According to Nurfikriyadi (2016), product design and product quality contributed the highest factors that affect the purchase decision of batik product. There are two dimensions within the product quality concept; level and consistency. It means the companies should choose an appropriate quality level to match the target market needs and quality levels of competing products. Moreover, the targeted level of performance should also

be delivered accurately and consistently (Kotler & Armstrong, 2016). The quality product is a product that conforms to certain specifications based on what customer needs. Quality of conformance relates to the degree which the product meets certain design standards (Crosby, DeVito & Pearson, 2003). Thus, it plays an important role in ensuring the customers to purchase certain products including batik. Based on the discussion above, the following hypothesis is proposed:

H₁: Quality is positively related to customer preferences towards Kelantan Batik.

2.3 Price

Price sensitivity on the individual adopter level appears to be equivalent to the concept of price consciousness for a potential buyer of any product. Price consciousness has been defined as “the degree to which he or she is unwilling to pay a high price for a product and willing to refrain from buying a product whose price is unacceptably high” (Monroe, 1990). Individuals, who are price conscious, are generally not willing to pay high prices for the product in question. Price represents the value that consumers have to give when they want the product. Prior study found that price becomes the most important element in affecting consumer preferences where consumer tends to consider price before buying batik apparel products (Sabijono, 2013). Based on previous research conducted by Nurfikriyadi (2016), the respondents or batik customers prefer the casual batik to be cheap. Hence, it can be hypothesized as:

H₂: Price is positively related to customer preferences towards Kelantan Batik.

2.4 Brand Image

Brand image is defined as the perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory (Kotler et al., 2018). It has also been suggested to be an organization or cultural activity’s hallmark that sets it apart from others (Kim, Choe & Petrick, 2018). Furthermore, brand image is about the consumer's emotional response to a brand that leads to the personification of brand attributes, and this is then used to differentiate between alternative offerings (Patterson, 1999; Alwi, 2007). In fact, brand image is the perception of brand that is created in the memory of consumer due to brand involvement (Keller, 2011). In this highly competitive environment, a brand image is extremely important. To create a well-positioned brand, the companies need to know on how to connect customers’ emotions to brand based on their identification with a brand image (Evanschitzky, 2006). The attitude that consumers form regarding a brand leads to the image the brand takes in their mind. The brand attitude contributes to the brand image and would lead to brand equity (Khan, 2009). Brand image is the total and overall personality in the consumer’s mind. Thus, consumer preference is predicted to be strongly influenced by brand image of the companies. Therefore, the hypothesis below is proposed:

H₃: Brand Image is positively related to customer preferences towards Kelantan Batik.

2.5 Conceptual Framework

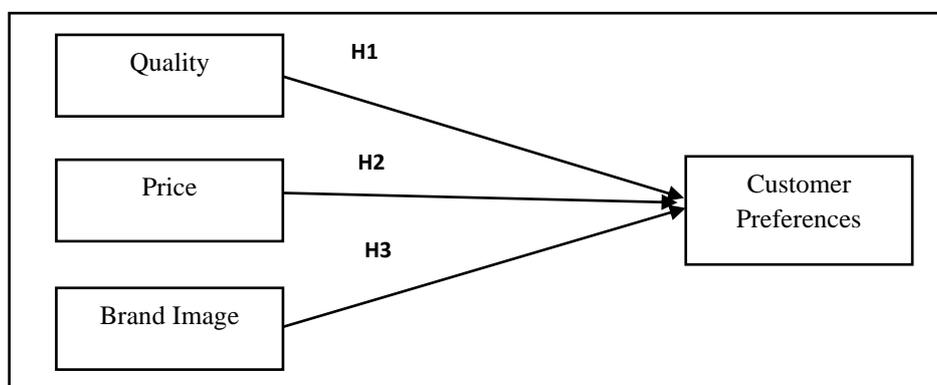


Figure 1 – A Proposed Conceptual Framework

Based on the research constructs of previous studies and extensive review of literature, a conceptual framework has been developed and presented in Figure 1. This study intends to investigate the relationship between quality, price, brand image and customer preferences.

III. Methodology

The measurement scale of all constructs is developed in two ways which are adopting list of potential validated items from past literature and developing the measurement items based upon extensive review of literature. A questionnaire was developed which contained twenty items that measured both dependent and independent variables. The measurement items were adapted from previous literature. The resulting questionnaires used five-point Likert scale ranging from (1) “strongly disagree” to (5) “strongly agree” in order to measure the customer preference towards Kelantan Batik.

The target respondents were individual consumers who did shopping at batik outlet in Kota Bharu. According to Department of Statistics Malaysia (2017), the population of Kota Bharu is around 1.4 million. Based on Krejcie and Morgan (1970), the required sample size for that number of population is 384. Thus, survey method was conducted with the distribution of 400 self-administered questionnaires to customers at batik outlets located in Kota Bharu, the capital city of Kelantan. The reason for choosing Kota Bharu is because majority of the batik outlets are located here. Due to the unavailability of database that contains the number of batik customers, convenience sampling was applied. The respondents were selected randomly based on their willingness to participate in the survey. Only 151 useful questionnaires were collected, yielded a response rate of 38%. The completed questionnaires were personally collected by the researcher.

The actual data was filtered to check whether data have been correctly entered, no missing values, free outliers and to confirm that the distribution of the variables was normal. Descriptive statistics analysis was used to show the impact of quality, price and brand image on the consumer’s preference towards Kelantan Batik. Pearson’s correlation analysis was applied to check the association among the variables. Finally, linear regression was used to test the relationship between quality, price and brand image on consumer preference towards Kelantan Batik. IBM SPSS Statistics 22 was used for analyses of this study and 5% level of significance was maintained in all the tests.

IV. Research Findings

4.1 Reliability of Scale

Cronbach’s alpha (α) is the most common method used to assess reliability, including the reliability of a measurement scale or internal reliability (Nunnally & Bernstein 1994; Sekaran & Bougie 2016). Different levels of acceptance have been suggested in the literature. Nunnally (1978) and Hair et al. (2010) suggested that the alpha level should be 0.7 or greater, which means that an α value exceeding 0.7 indicates that the variables are internally consistent and suitable measures for the study. Therefore, this research used 0.70 as the minimum level to indicate the internal consistency of the constructs. In this study, the results for all variables varied between 0.742 and 0.830 (Table 1). Since all the values were greater than 0.7, they were within the acceptable threshold, suggesting all variables were reliable.

Table 1 - Reliability Test

Variables	Number of Items	Cronbach’s Alpha
Quality	5	0.809
Price	5	0.768
Brand Image	5	0.830
Customer Preferences	5	0.742

4.2 Respondents Profile

Frequency analysis is simply referring to the number of times various subcategories of certain phenomenon occur, from which the percentage and the cumulative percentage of the occurrence can be easily calculated (Sekaran & Bougie, 2016). The frequency result shows the distribution of a variable that includes frequency and percentage. Table 1 shows that this research had 151 respondents involved. Among these respondents, the researcher categorized them into six groups of age. The highest category was for the age of 21-25 years old (27.2%). As for gender, results indicated that 25 from 151 respondents were male with 16.6% and the rest of the respondents were female that consisted of 126 from 151 respondents (83.4%). In terms of ethnicity, Malay

contributed the highest number of respondents with 99.3% and no percentage for Indian and other races. From these 151 respondents, most (62.3%) held bachelor degree and only 0.7% or 1 respondent had PhD.

For marital status, 99 respondents were married and 51 respondents were single. Approximately 54.3% indicated that they are working at government sector and 21.9% of the respondents are students. Only 19 respondents (12.6%) are self-employed. The researcher divided income level into five categories. Majority of the respondents earned between RM1501 to RM3500 (36.4%), followed by RM3501 - RM5501 (29.8%) and 40 respondents earned an income below RM1500.

Table 2 – Profile of Respondents

N = 151		
Item	Frequency	Percentage (%)
Age		
Less than 20	3	2.0
21-25	41	27.2
26-30	14	9.3
31-35	35	23.2
36-40	26	17.2
Above 41	32	21.1
Gender		
Male	25	16.6
Female	126	83.4
Ethnicity		
Malay	150	99.3
Chinese	1	0.7
Indian	0	0
Others	0	0
Education level		
SPM	16	10.6
Diploma/Matriculation/ Bachelor Degree	28	18.5
Master	94	62.3
PhD	12	7.9
	1	0.7
Marital Status		
Single	51	33.8
Married	99	65.6
Others	1	0.7
Occupation		
Student	33	21.9
Government Sector	82	54.3
Self-Employed	19	12.6
Private Sector	0	0
Others	17	11.3
Income Level (RM)		
Below 1500	40	26.5
1501-3500	55	36.4
3501-5501	45	29.8
5501-7500	6	4.0
Above 7500	5	3.3

4.3 Descriptive Analysis

Descriptive analysis serves a simple quantitative summary of data collected and the data are used to elaborate the result accordingly. Table 3 indicates the analysis of mean and standard deviation for dependent variable (customer preference) and independent variables (quality, price and brand image). For this analysis, quality had the highest mean with the value of 4.4119. It was followed by price as the second highest mean with the value of 4.2437. The lowest mean value went to brand image, 3.8424. From the findings, all variables had a mean score above 3.000 which indicated that majority of the respondents agreed with the items' statements based on each variable and considered those items as major factors influencing consumer

preferences towards Kelantan batik. In other words, this explains that most of respondents agreed quality is an important factor for customers when they want to choose and buy Kelantan Batik.

Table 3 - Descriptive Statistics

Variables	Mean	Std. Deviation
Customer Preferences	4.2291	.61075
Quality	4.4119	.56106
Price	4.2437	.62903
Brand Image	3.8424	.74962

4.4 Correlation Analysis

Correlation analysis is used to measure the intensity and path of linear partnership amongst two continued variables. The result of Pearson correlation coefficient analysis is represented in Table 4. From the result shown, it can be seen that most variables showed significance correlations. The highest value of Pearson correlation was 0.754, which represented a strong correlation between independent variable “quality” and dependent variable “customer preferences”. The lowest Pearson value was 0.451, which represented the low correlation between independent variable “price” and dependent variable “customer preferences”. All the associations represented positive signs which indicated positive direction of the associations among all the constructs tested.

Table 4 - Correlation Matrix of Variables

	Quality	Price	Brand Image	Consumer Preferences
Quality	1			
Price	.529**	1		
Brand image	.594**	.410**	1	
Customer Preferences	.754**	.451**	.556**	1

** . Correlation is significant at 0.01 level (2-tailed).

4.5 Regression Analysis

Table 5 – Multiple Regression - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.767 ^a	.588	.580	.39588	.588	70.005	3	147	.000

a. Predictors: (Constant), BI, P, Q

b. Dependent Variable: CP

A multiple regression analysis was performed to identify the predictor and its contribution towards the criterion. From Table 5, the adjusted R-square was equal to 0.580 which indicated that 58% of the variances in dependent variables which was customer preferences can be explained by the changes in independent variables. The other 42% cannot be explained by the independent variables which were quality, price and brand image. Hence, 42% of the variances might be explained by other factors which were not included in the model.

Table 6 - Multiple Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
1 (Constant)	.484	.275		1.762	.080
Quality	.688	.078	.632	8.855	.000
Price	.049	.061	.051	.805	.422
Brand Image	.130	.054	.160	2.407	.017

Dependent Variable = Customer preferences

**Significance level, $p \leq 0.05$

As a result, from Table 6, quality had unstandardized $\beta = 0.688$ and $t = 8.855$. It showed that quality had positively related with customer preferences as the p-value was 0.000 and lower than 0.05. For the price, the unstandardized $\beta = 0.049$ and $t = 0.805$. It showed that price did not positively related towards customer preferences as the p-value was higher than 0.05 which was 0.422. Lastly, the brand image had unstandardized $\beta = 0.130$ and $t = 2.407$. Result showed that brand image had significantly related to customer preferences as the p-value was 0.017 which was lower than 0.05. Overall, only quality and brand image had positive relationships with customer preferences.

V. Discussion and Conclusions

This study intends to investigate the factors that determine customer preferences towards Kelantan Batik. This study was limited to three variables that could explain in depth Kelantan Batik preferences among customers. The information was gathered from customers through main survey in Kota Bharu, the capital city of Kelantan. IBM SPSS Statistics was applied in analysing the gathered information. In this study, the findings indicate that quality and brand image are positively related to consumer preferences towards Kelantan Batik. However, price does not show any relationship with customer preferences which means the factor is not considered as an important factor by customers before they buy Kelantan Batik. Quality is found to be the most important factor considered by majority of the customers of Kelantan Batik. Hence, the customers who purchase Kelantan Batik are highly concerned about the quality of the product. Meanwhile, the result of correlation analysis shows that the strongest relationship goes to quality, which is the most correlated to customer preferences with the value of 0.754. The other two independent variables, namely price and brand image, have moderate relationships with customer preferences. It can be suggested that Kelantan Batik manufacturers should emphasize on these two factors of quality and brand image if they want to increase their sales. Furthermore, the findings provide valuable insights that can assist the manufacturers in formulating and strengthening their strategies and capabilities in batik industry.

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