

# DEVELOPMENT MODEL OF LOCAL WISDOM SONGKET ENTERING THE CENTRALIZED OF BASED ON OF EMPLOYEE DEVELOPMENT MARKET

**Zaleha Trihandayani**

Department of Management, Muhammadiyah Palembang University, Indonesia

Email: [zalehatrihandayani.feb@gmail.com](mailto:zalehatrihandayani.feb@gmail.com)

---

## Article Info

### Article history:

Received May 15, 2023

Revised June 17, 2023

Accepted June 19, 2023

---

### Keywords:

Employee Development

Centralized market

Local Wisdom

## ABSTRACT

Opportunities for businessmen to contribute to and promote the economy can be seen in the scale of market activity in the region. In addition to the structure of the local economy, we are not supported by the strength of the structure of small and medium enterprises. The concentration of the power of small and medium-sized enterprises in the regional economic structure seems inevitable. Hollow Middle is a medium-sized and large company that cannot receive support from SMEs due to the turbulence of domestic and foreign economic conditions. A region's competitive advantage is influenced not only by its marketing advantage but also by the human resources department (HR) and operational design of regional specialty development. From this, we can conclude that: First, internal factors adversely affect employee development and have a central impact on the market. Second, centralized marketplaces have a positive impact on employee development. Third, external factors have a positive impact on employee development and concentration markets. Fourth, the internal factors of employee training and centralized markets were not important. Fifth, employee training was also not important for centralized markets. Sixth, external factors to employee development and important centralized markets.

---

## Corresponding Author:

Zaleha Trihandayani

Department Management,

Muhammadiyah Palembang University,

Jalan Jenderal Ahmad Yani 13 Ulu Palembang, South Sumatra, Indonesia.

Email: [zalehatrihandayani.feb@gmail.com](mailto:zalehatrihandayani.feb@gmail.com)

---

## 1. INTRODUCTION

The advantages of small industrial products and handicrafts in Indonesia are not anticipated to be lost as more shopping centers, particularly contemporary markets, are built; at the very least, these kinds of products won't still have a place to go and compete on the international market. To increase the volume of sales of each product that is typical of the region, better product quality is required [1]. The size of the market activity in the region, along with the fact that the regional economic structure becomes weakened if not supported by the strength of the structure of small and medium businesses, are indicators of the opportunities for business people to contribute to and promote the economy.

Palembang City, which seeks to improve its location in South Sumatra at the axis of development of newly industrialized nations like Taiwan, South Korea, Singapore, Malaysia, and Thailand, anticipates a rapid increase in trade flows. Palembang, the capital of South Sumatra, is capable of sending out representatives for shopping centers and is prepared to seize these opportunities. Palembang, which has distinctive goods like pempek, kemplang crackers, songket, and carved cabinets, is therefore anticipated to

---

make these goods stand out as superior goods among numerous goods coming from outside the region and even from other countries.

Palembang should prepare to become one of the trade targets for domestic and international economic actors as the metropolis develops. For businesspeople from Palembang, where the majority are involved in small industries and handicrafts, it is especially important to note that business capabilities should be improved. This is true in addition to improving product quality and market expansion.

Business activities in Palembang society began with its more typical products using traditional methods, which is very different from how someone can become an entrepreneur abroad. For example, in Germany, Japan, and Korea, a person is typically prepared in advance by business or entrepreneurship schools before becoming an entrepreneur [2]. When small- and medium-sized business owners are prepared in this way, they can prevent numerous losses in terms of time, money, the development of their creativity, and their ability to market their products.

A local wisdom product of Palembang has a market that is not concentrated; for instance, we might come across region Domestic Bungle or region Ramayana. Pempek can be found along the main streets in the city of Palembang; kemplang crackers can be found along the main streets and in the Seberang Ulu City of Palembang; and carved cabinets can be found in the vicinity of the Grand Mosque of Palembang. Since the market for typical Palembang goods is sometimes in a small space, especially for songket and carved cabinets, this gives the impression that the goods are not sufficiently unique to be regarded as superior goods.

So that pempek, kemplang crackers, songket, and cabinet carving can be found in the market, a centralized market must be established for local wisdom products from Palembang. Additionally, if a typical product is placed centrally in the market, it will be easier for people in and outside of the area to know about and consume it [3]. Due to the entry of numerous comparable products from outside the region, Palembang's typical product will continue to exist.

Employee development-based marketing models, which are marketing models created by PT. Sosro Rays through employee development, can make it simpler and more profitable for the seller. Additionally, the ease of obtaining the typical products can further increase the sales volume for the product seller of typical Palembang if the homogeneity of distinctive products in a market can be created. This will make the market easier for customers to visit while still maintaining the product's quality because from here there will be competition among traders who indirectly maintain the quality of distinctive products both for domestic consumers and for foreign countries.

Making it simpler to enter the centralized market (market center), which seeks to center the typical regional products on the one hand and to maintain the existence of economic actors is moving sector of small industries, requires analyzing the situation, determining market segmentation, target market, and positioning of products as well as designing a marketing strategy, strategic relations, and the employee development [4]. Avoid letting regional specialties produced by the local population be supplanted by comparable imports from outside the area, as happened with Asian products. For instance, tempeh can only be produced by the European community and is currently only available from Cirebon.

The objectives of this study are to (1) assess the strengths, weaknesses, hopes, and threats facing business units that produce distinctive products; (2) identify the market segmentation, target market, and positioning of typical regional products; (3) develop a marketing strategy, strategic relationships, and marketing programs for typical regional products; and (4) analyze the factors that influence the seller of distinctive products [15].

## 2. RESEARCH METHOD

The location of this study in Palembang, operational definition;(1). A centralized market must be created for the local Palembang wisdom song, in addition to having the local wisdom song centrally placed in the market (2). A marketing model based on staff development by analyzing the situation, determining market segmentation, target market, and item placement, and planning marketing strategies, interpersonal strategies, and staff development.

Table 1. Typical Areas Shape Songket Differentiation

Form of Differentiation	Name of Differentiation	Notes	Example
Product	From product	Size, Color, Physical shape	Labels, logos, packaging
	Quality performance	The scope of operation of the main functions of the product. There are four performance levels: low, medium, high, and better.	Product typical which broad have a market

Durability	The expected life of the product under normal conditions or loads	Engraved cabinets will last for years
Feature	From the main additional benefit product	Inherent characteristics
Quality performance	The scope of operation of the main functions of the product. There are four performance levels: low, medium, high, and better.	Product typical which broad have a market
Repairability	Simple repair of damaged or defective products	Improving typical local products
Reliability	The possibility that the product will fail or cause an error within a certain period	Typical products are accessible to domestic and foreign markets
Design	Features that affect product functionality and appearance	Modified songket with embroidery and jumputan
Style	Product look and feel	Innovation of representative regional products.

Population and sample, this research is on the seller and buyer song chain Palembang, South Sumatra number is not known specific (infinite). The sample is two hundred people and the sampling technique using purposive sampling technique is purposive sampling because according to the objectives of this study, the sellers and buyers of the piece Palembang are scattered Ladder Tank, Seberang Ulu, Area Mosque, Pasar 16 Ilir, Market Cinde, Airport Store and Jalan Sudirman, Jalan Basuki grace, Radial Road, Jalan Colonel Iskandar, and Jalan Kapten A. Rival. Analysis using this structural equation modeling (SEM) study.

### 3. RESULTS AND ANALYSIS

Based on structural equation modeling (SEM) analysis, the model was constructed as follows:

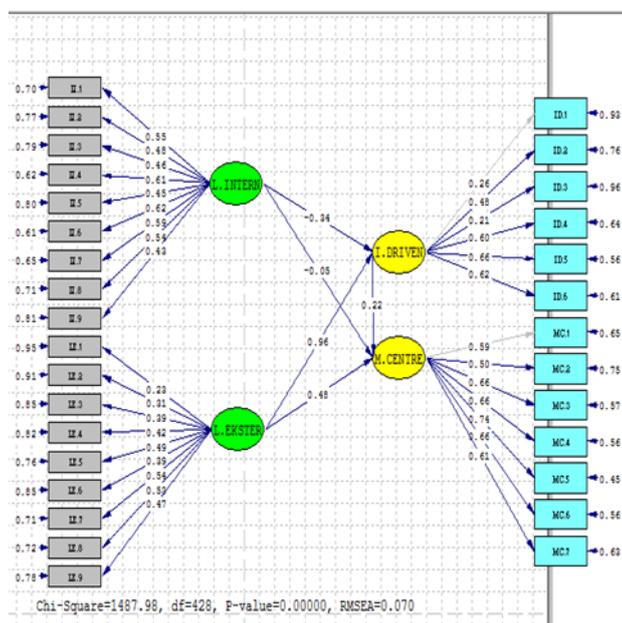


Figure 1. Structural Equation Modeling (SEM)

Internal factors have a negative effect on managed innovation, with a path coefficient of -0.25. Internal factors also negatively affect the centralized market, with a path coefficient of -0.05. Although employee development has a positive effect on the centralized market, the path coefficient is 0.22. External factors positively influence staff development, path coefficient of 0.98. External factors also have a positive effect on centralized markets with a path coefficient of 0.48.

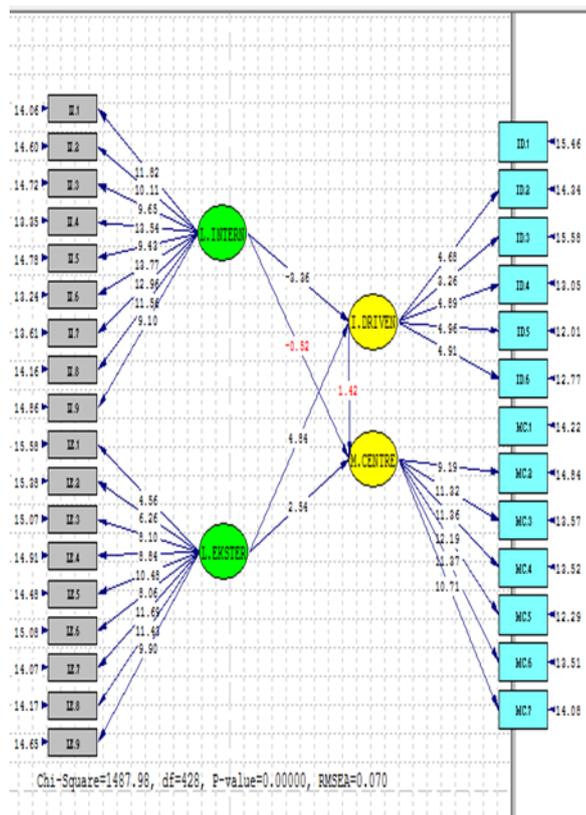


Figure 2

The internal factor is important from the point of view of workforce development, the path coefficient is -3.25. The internal factor is not significant for the centralized market, with a path coefficient of -0.51. Although employee development is not significant for concentrated markets, the path coefficient is 1.43. The external factor has a significant influence on personal development, path coefficient of 4.83. In the case of concentrated markets, the external factor is also important with a trajectory factor of 2.53. One of the biggest obstacles to starting and running a business is the fear of not being able to control the market. Although creative ideas are supported by the availability of resources, this could be one support for the company to dominate the market.

There are many examples of local products being able to compete nationally and even internationally. All quality local pieces, usually starting from small businesses to reaching the local market. Before you prepare to compete at a higher level, optimize your marketing strategies, the local market is the best way to succeed in business.

Personal development is an important part of competitiveness. as high quality and trendy. The results of field observations show that the implementation of real innovation improves competitiveness in the following ways: (a) supply of high-quality raw materials according to customer preferences, (b) improvement in quality led to an increase in prices, (c) increase in the number of products. production cycles, (d) an increase in production efficiency, and (e) an increase in added value. Thus, by applying HR development, a more competitive product can be produced, such as improvements in product quality, product design, or production efficiency. One real application of innovation in a production system is to increase production efficiency, which means that a typical set of products can be produced at lower costs so that the product can be sold at a lower price. HR development based on a development model was studied and implemented to analyze the situation, determine market segmentation, determine product target market position, and employee competence [4]. With the help of situational analysis, remember that the demand for man-made products is mainly in the with the help of situational analysis, it should be remembered that the demand for man-made products is mainly in the business segment, moreover, the company can achieve sales in the last five years. aim well However, these studies did not design marketing strategies, relationship strategies, or marketing programs developed specifically to develop a marketing model to enter centralized markets.

Development-based market development of employees is the implementation of a strategy to obtain information about the strength of the market such as core product excellence and the implementation of strategies to achieve competitiveness in marketing [4].

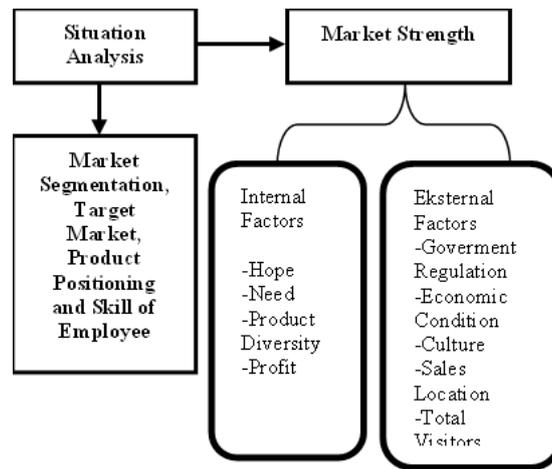


Figure 3. Local Wisdom Songket Marketing Model Employee Development towards

Songket-based personal development of the product marketing model, adding marketing strategy planning, relationship strategies, and staff development to research. Thus, it can be tested on the validity and effectiveness of the marketing model.

Situational analysis is a situational analysis that is made to find out the internal-external environmental conditions that affect the typical products of local companies so that strengths - weaknesses - opportunities - threats can be determined from it [5].

Company information in the management information system and Acquisition of a mechanism, especially market information system. The device's own SIM card consists of: (a). The internal log consists of files or reports related to marketing, sales information systems, (b). Market Intelligence Systems, procedures, and sources are used by managers to obtain daily information about developments in the market environment. (c). Market research. Competitors are not only existing competitors but also competitors that may appear later [6].

Market segmentation, market segmentation (grouping) must be carried out to study the diversity of consumer needs and wants in the market [7]. Based on the information obtained from marketing research, each company can obtain different information that is necessary for identification based on customer characteristics [8]. Once the group is formed, the next step is to identify the consumer characteristics used to profile each segment. The profile is then a distinguishing factor of each segment.

Target Market, by clearly mapping the Consumer, the typical regional piece business unit makes it easy to choose where the consumer segment is the target market. The business unit is directed and focused on the development, selection, and implementation of marketing strategies and especially the marketing mix (4P). Product Positioning is the action taken by business units to design an offer and image to achieve a place in the minds of consumers. Make the position, the necessary differentiation of product offers to consumers, which is not easy for other companies to copy [9]. Like culture, market orientation contains guidelines that guide the behavior of individuals in an organization. Claims that culture and skills have a symbiotic relationship [10]. A marketing strategy that uses a situational analysis of typical regional product business units to identify opportunities, segment markets, evaluate competitors, and assess business unit strengths and weaknesses. The next step in planning a marketing strategy, is the business unit of typical regional products, the target market, and the positioning of its products in the minds of consumers.

Establish relationship marketing and develop and implement new innovative products. Understanding market conditions and competition must be done continuously. To quickly anticipate these changes, a typical product business unit must quickly recognize the changes. Knows what is happening and what will happen in the future. Strategic relationships, the workplace of the business unit of Local special products and the end customer, distribution channels, retailers), suppliers, and competitors are the same, a good relationship must be established between the business units and the internal team of the local special products. unit. good relationships can encourage business entities to improve their ability to satisfy consumers and quickly detect environmental changes through cooperatives.

Development Marketing, Strategy segmentation, target market determination and positioning, or segmentation, targeting, and positioning (STP) is the cornerstone of a company's marketing strategy, the preparation, implementation, and control of marketing strategy [11]. mix or market mix (for product 4P): a. A product that is all about differentiation in form, function, design, and more. b) Price related to prices of products or services. c. Investment related to the company's distribution channels.

Development and operations of personnel, development of human resources and activities, taking into account internal factors such as vision, mission, goals, strategies to achieve goals, nature and type of

activity, type of technology used, and external factors such as government policy, socio-cultural and scientific development, and technology [12].

State support for the promotion of small and medium-sized business sector units is a very large contribution to the promotion of innovation and dynamic growth in the development of marketing programs. Until 2025, the government launched a new-based economy, a seven-stage improvement innovation ecosystem, turning the four mechanisms of economic growth acceleration, with the basic needs of industry, creative economy, regional skill-based industries, and strategic industries [13]. This is the basis for developing a marketing model based on employee development, trying to enter the centralized market by:

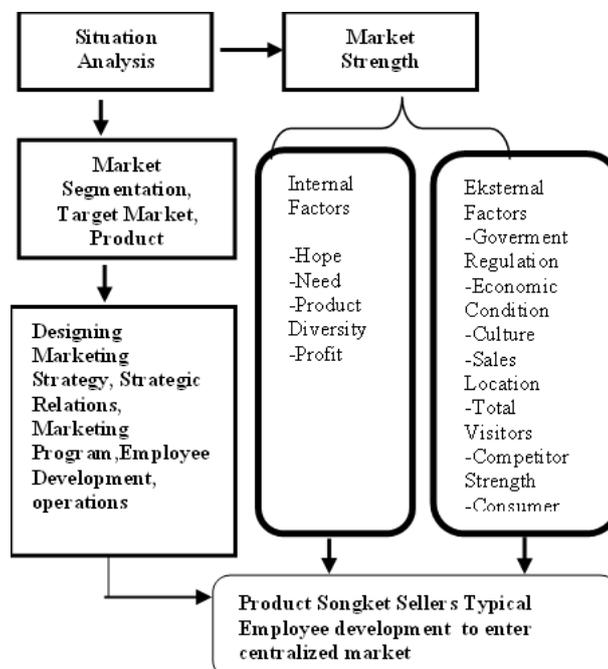


Figure 4. Local Wisdom Development of Songke Model Typical Fields Based on Employee Training for Entry into Concentrated Market

In addition to lowering the price, application employee development can bridge the gap between the needs of the employee and the product offering of the vendor. By applying innovations, the piece can become versatile and unique to create a new trend for the preferences of the international market. When implementing innovations, the needs of customers are taken into account. Introducing innovations without considering the needs of customers only leads to product failure in marketing [14].

#### 4. CONCLUSION

First, internal barriers to the market and detrimental effects on employee development. Second, employee development has a favorable impact on the centralized market. Third, external influences on worker development and a centralized market have a favorable impact. Fourthly, neither the internal factors of employee development nor the centralized market were important. Fifth, although it is also unimportant, employee development for the centralized market. Sixth, significant centralized market factors and external influences on employee development.

First, it can be suggested that the government take the sector trade show alignments local wisdom products songket of Palembang more seriously. Government involvement is necessary, particularly when promoting the bottom line. The creation of competitive advantage and comparative potential should come second to spur increased competition. Third, effective measures to increase efficiency in the areas of product production and distribution. It is necessary to improve the use of production technologies, inputs, and raw materials. Special consideration would need to be given to institutional factors (lift, banking, and market) that support production efficiency. Additionally, the elimination of inefficiencies in the marketing sector, the elimination of illegal levies, and the improvement of infrastructure facilities in the nation must be followed. Fourth, raise the general public's awareness of the importance of using local goods, especially those that are unique to the area. Giving the product's logo, using local and national media to promote it, sponsoring local events, and taking part in international and national trade shows are additional tasks that must be completed.

**REFERENCES**

- [1] G.E, Greenley 2019, “Company Performance an Market Orientation :Empirical Evidence from UK Companies“. British Journal of Management.No. 6. p. 1 - 13.
- [2] C.K. Prahalad & Hamel G. . 2019. Competing for the Future. Harvard Business School Press. Boston.
- [3] G. Thomas M. Hult & Hurley, Robert F. 2019. “Market Orientation, Inovation and Organizational Learning : Empirical Examination and An Integration”. Journal of Marketing.Vol. 62. p. 42-54.
- [4] Martha. 2019. Market Driven. Jurnal ekonomi.September. p. 12-13
- [5] David, Cravens. 2019 . McGraw-Hill Companies, Inc., Boston. Strategic Marketing, 6th ed.
- [6] Terrance G, Gill. 2020. “Market Orientation : Theoretical and Methodological Concerns”. American Marketing Association.Summer. p. 368-375.
- [7] Pawitra, Teddy. 2019. Pemasaran :Disiplin, Dimensi Falsafah dan Keahlian, Sekolah Tinggi Manajemen Prasetia Mulya. Jakarta.
- [8] Philip, Kotler. 2019. Marketing Management : Analysis, Implementation, Planning and Control. 8th ed., Prentice-Hall International. Inc., New Jersey.
- [9] James W. Kolari & McDaniel. Stephen W. 2019. “Snow Strategic Typology and marketing strategy Implications of the Miles”. Journal of Marketing.Vol. 51.p.19-30.
- [10] Narver, John C. & Stanley F. Slater. 2019. “The Effect of Market Orientation on Business Profitability”. Journal of Marketing.October. p. 20-35.
- [11] Jhon, Dawes. 2019. “Objective Company Performance Measures in Market Orientation Research : Further Empirical Evidence and The Relationship between Subjective”. Marketing Bulletin, Vol. 10, p. 65-75.
- [12] Notoatmodjo Soekidjo.2019. Pengembangan Sumber Daya Manusia. Rineka Cipta. Jakarta
- [13] Trihandayani, Zaleha (2021), Loyalty of Traditional FoodSmall Industry employees. Journal International of Social Science and Arts.ISSN:2581-7922. Volume 4 Issue4. August-July 2021
- [14] Namwoon Kim, Rajendra K. Srivastava Han & Jin K.. 2019. “Organizational Performance and Market Orientation : Is Innovation a Missing Link ?”. Journal of Marketing.Vol. 62. p. 30-45.
- [15] PrakashNedungadi & Daya.2019, “Competitive Advantage”.Journal of Marketing of Managerial Representations”.Journal of Marketing.Vol. 58. p. 31-44.