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Influence of Customer Relationship Strategy and Product Innovation on Marketing Performance of Small and Medium Enterprises (SMEs) in Bekasi City Indonesia

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Abstract: This study is to determine the influence of customer relations and Innovation Product to Performance Marketing Small and medium enterprises UKM in Bekasi City. This research is a quantitative research. The object of this research is UKM actors in field food in Bekasi City. Technique collection data Which used in study This is with use questionnaire. Study This done with technique incidental sampling with amount sample that is 100 respondents. Analysis Which used in study This is analysis descriptive with model regression linear let's go. The results showed that (1) partial use of Customer Relations has a positive and significant effect on the performance business of SMEs, (2) partial innovation has a positive and significant effect on the performance of SMEs, (3) simultaneously the use of Customer Relations and innovation has a positive and significant effect on the marketing performance of SMEs.

Keyword: Customer Relations, Innovation, & Marketing Performance

INTRODUCTION

Increasing, as proven by development Small and Medium Enterprises (SMEs) Which increase the amount. But with the amount UKM, Not yet followed with performance UKM Which Good. Matter This cause UKM in Indonesia Still lost compete with country ASEAN other. Whereas government Already help prepare a financing formula for the Small and Medium Enterprises sector byloan interest rates range from 12% - 15% or lower compared to interest rates for people's business credit reached 21% and by providing ease of permits in establishing Small and Medium Enterprises (UKM). According to the head of the SME development department of Bank Indonesia (BI), Yunita Official Sari (2018), contribution UKM to unit business 99.9% from total 57.89% with contribution Which significant to implementation power Work 96.9% And GDP57.56% And export 15.68%.

Wrong One the potential that can utilized is technology information. The development of information technology today means that humans are no longer... take issue with limit distance, room And time. Technology information give birth to internet, the internet offers many benefits for SMEs to improve marketing of its products. In addition, the internet also provides benefits to increasechance UKM For cooperate with businessman others. Wrong One Internet technology is developing rapidly and has great potential for driving SME marketing is social media. Social media has the potential connect Lots person with easy and free.

Remember the importance of how Customer Relationship Strategy for SMEs and its benefits, so need conducted a study observational.

Innovation have meaning more wide from invention. Innovation here is creative process that creates new objects and substances that are useful for humans, but broader than mere discovery and long-term. Innovation is more than just a good idea. Thus, innovation is a combination of vision to create a good idea and determination as well as dedication to maintaining the concept through implementation

METHOD

Research This use approach quantitative. Study with use approach quantitative emphasize the analysis on data numeric (numbers) processed using statistical methods (Azwar, 2011). This research is included in quantitative research with *SPSS for Windows application*. This research will explain the relationship between influencing and being influenced by the variables to be studied. The quantitative approach is used because the data used will analyze the relationship between variables expressed in numbers.

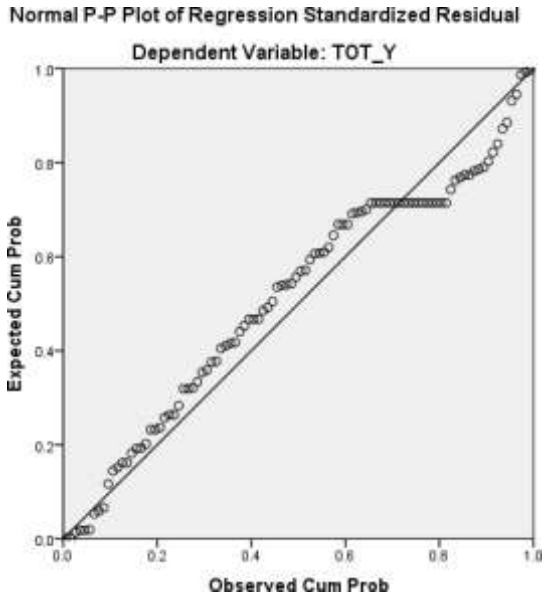
The quantitative approach in this method uses the *survey method* , the research collects as much information and data as possible by conducting observations and questionnaires with related parties. Generally, *survey research* is limited to research whose data is collected from samples of the population to represent the entire population. inhabitant Bekasi city. Then the researcher processed the data and information that had been obtained, after that drawing conclusions and suggestions. This study aims to knowing the influence of the variables that will be studied, namely the Influence of Customer Relationship Strategy And Innovation on Marketing Performance.

RESULTS AND DISCUSSION

Respondents in this study were culinary SMEs in South Bekasi District by taking data from 100 business actors who were the population in the study. Data was obtained by giving questionnaires to SME actors to get answers according to each business owner.

Normality Test

The normality test is conducted to determine whether the distribution of score frequencies in each variable is normally distributed or not. To that end, it can be seen whether the data is normally distributed or not by looking at *the normal probability plot*. If the data is spread out and forms a straight line, it can be concluded that the data meets the normal assumption.



Source: SPSS Data Processing Version 26, 2021

Figure 1. P-Plot Normality Test Image

Based on the results of Figure 1 normality tester, the data is spread around the diagonal line, meaning the regression model meets the normality assumption. It can be concluded that the analyzed data has met the normality assumption.

The normality test is used to determine whether the sample from a population is normally distributed or otherwise. The normality test is used to measure *liliefors* by looking at the significant value in *kolmogorv smirnov.* The test criteria are as follows:

1. If the significant value (Asym sig 2 tailed > 0.05 then the data is normally distributed.
2. If the significant value (Asym Sig 2 tailed < 0.05 then the data is not normally distributed.

To see complete results regarding samples from a population with a normal distribution or not, please see Table 1 as follows:

Table 1. Statistical Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters [a,b]	Mean	.0000000
	Std. Deviation	3.21456613
Most Extreme Differences	Absolute	.066
	Positive	.058
	Negative	-.066
Test Statistics		.066
Asymp. Sig. (2-tailed)		.200 [c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: SPSS Data Processing Version 26, 2021

From the results of Table 1 above, it is known that it shows the normality test for the Customer Relationship Strategy (X_1), Innovation (X_2) and Marketing Performance variables.

(Y) which has been tested using SPSS Version 26 based on the results of *Kolmogorov-Smirnov test* shows that the residual data is Asym. Sig. (2-tailed) of 0.200, because the significance for the variable is greater than 0.05, it can be concluded that the data population is normally distributed.

Multicollinearity Test

The purpose of the multicollinearity test is to test whether a correlation has been found between independent variables in the regression model. In addition, the regression equation is said to be good if there is no correlation between independent variables or no multicollinearity between independent variables.

To find out whether multicollinearity has occurred, look at the *Tolerance* and *Variance Inflation Factor (VIF) values*. If the *tolerance value is* > 0.10 and *VIF* < 10, then the model is free from multicollinearity. This can be seen below.

Table 2. Multicollinearity Test Results

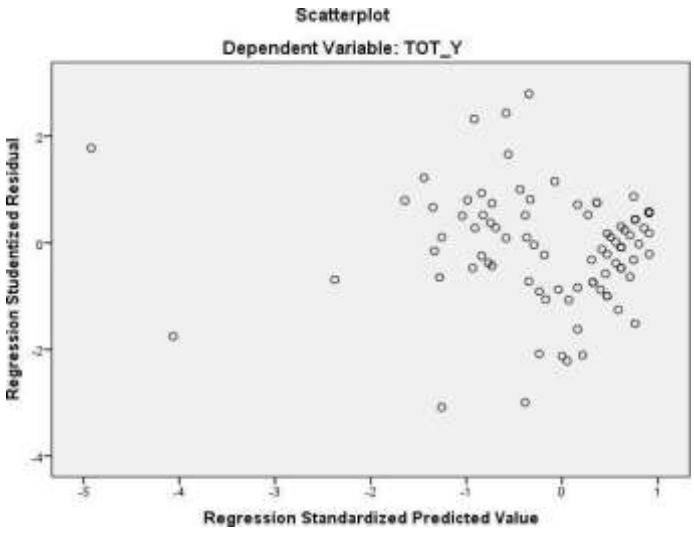
Independent Variable	Calculation		Information
	Tolerance	VIF	
Customer Relationship Strategy	0.195	.119	No Multicollinearity
Innovation	0.195	.119	No Multicollinearity

Source: SPSS Data Processing Version 26, 2021

In Table 2, it can be seen that the *tolerance value of* no independent variable has a *tolerance value of* more than 0.10. Meanwhile, the results of the calculation of *the Variance Inflation Factor (VIF)* of the independent variables that have a *VIF value* of less than 10. Based on the results of the calculation of *the Tolerance* and *VIF values* obtained for each Customer Relations (X_1) and innovation (X_2) variables are 0.195 and the *VIF value* is 5.119. Based on the results of these tests, it can be concluded that there is no multicollinearity in the regression model.

Heteroscedasticity Test

The results of the Heteroscedasticity Test using the SPSS version 26 program are as follows.



Source: SPSS Data Processing Version 26, 2021

Figure 2. Heteroscedasticity Test Image

Figure 2 shows that the points are spread randomly and well spread above and below the number 0 on the Y axis, and the points are spread randomly without forming a certain pattern, meaning there is no heteroscedasticity in the regression model. So this regression model is suitable for predicting customer satisfaction based on the variables that influence it, namely Customer Relationship Strategy and Innovation.

Your Berg Linear Regression analysis

Linear regression analysis aims to test the influence between one variable and another. The variable that is influenced is called the dependent variable, while the variable that influences is called the free variable or independent variable.

Based on the calculation of the linear regression analysis carried out through statistical tests using the SPSS program, the following results were obtained:

Table 3. Multiple Linear Regression Analysis

Variables	Unstandardized Coefficients
(Constant)	2,256
Customer Relationship Strategy	0,244
Innovation	0,663

Source: SPSS Data Processing Version 26, 2021

Based on Table 3 the results of the multiple linear regression processing above, the multiple linear regression equation is obtained as follows:

$$\mathbf{Y = 2.256 + 0.244\ X_1 + 0.663\ X_2}$$

Based on the regression equation above, the interpretation of the coefficient of each variable is as follows:

1) In this regression model, the constant value is 2.256, which means that if the independent variable in the model is assumed to be equal to zero, then Marketing Performance is 2.256.
2) Customer Relationship Strategy Variable (X_1)
   The regression coefficient value of Customer Relationship Strategy (X_1) is 0.244. This indicates that every increase in capital of 1 will increase Marketing Performance by 0.244. Assuming that Innovation is zero.
3) Innovation Variable (X_2)
   The innovation regression coefficient value (X_2) is 0.663. This indicates that every 1.00 increase in innovation, then it will increase Marketing Performance by 0.663. Assuming that Customer Relationship Strategy is zero.

Hypothesis Testing

T-test

This test basically shows how far the influence of one independent variable individually (partially) in explaining a variation of the dependent variable. To test the influence of each independent variable used in this study partially, a test with a level of 0.05 is used. The basis for decision making is as follows:

1. Decision making based on probability values
   a. If significance < 0.05 then Ho is rejected, Ha is accepted.
   b. If significance > 0.05 then Ho is accepted, Ha is rejected.

2. Decision making based on t-count values.
   a. If t count > t table, then Ho is rejected.
   b. If t count < t table, then Ha is accepted.

The test was carried out by processing data using the SPSS program. The results of the t-test (partial test) can be seen in the following table:

Table 4. T-Test Results Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,256	0,867		0,208	0,000
Customer Relationship Strategy	0,244	0,112	0,247	2,183	0,031
Innovation	0,663	0,117	0,643	5,688	0,000

a. Dependent Variable: Marketing Performance

Source: SPSS Data Processing Version 26, 2021

From the results of Table 4 above, it can be seen that for the Customer Relationship Strategy (X_1) variable, the t-count value is 2.183 > 1.660 (t table) with sig. 0.031 < 0.05. or the significance value is less than 0.05. Therefore Ho is rejected or Ha is accepted which means that partially Customer Relationship Strategy (X_1) has a significant effect on Marketing Performance (Y).

Then for the Innovation variable (X_2) the t-count is obtained at 5.688 > 1.660 (t table) with sig. 0.000 < 0.05 or a significance value of less than 0.05. So Ho is rejected or Ha is accepted which means that partially Innovation (X_2) has a significant effect on Marketing Performance (Y).

F Test

This test basically shows how far the influence of one independent variable individually (partially) in explaining a variation in the dependent variable. To test the influence of each independent variable used in this study, a t-test was used partially with a significance level of 5%. The basis for decision making is as follows:

1. Decision making based on probability values
   a. If significance < 0.05 then Ho is rejected, Ha is accepted.
   b. If significance > 0.05 then Ho is accepted, Ha is rejected.
2. Decision making based on F-value count
   a. If F Count > F Table, then Ho is rejected.
   b. If F Count < F Table, then Ha is accepted.

Testing is done by processing data using the SPSS program. The results of the F test (simultaneous test) can be seen as follows:

Table 5. F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2024.480	3	1012.240	152.021	.000[b]
	Residual	645.880	7	6.659		
	Total	2670.360	9			

a. Dependent Variable: Marketing Performance Y

b. Predictors: (Constant), Innovation X2, Customer Relationship StrategyX1

Source: SPSS Data Processing Version 26, 2021

From the results of Table 5 above, it can be seen that the calculated F is 152.021 > 3.09 (F table) with a Sig. value of 0.000 < 0.05 or a significant value of less than 0.05. Therefore, Ho is rejected and Ha is accepted, which means that simultaneously Customer Relationship Strategy (X_1) and innovation (X_2) have a significant effect. significant on Marketing Performance (Y).

Coefficient of Determination Test (R_2)

The Adjusted determination coefficient (R^2) essentially measures how far the model's ability is between 0 and 1. A small Adjusted R^2 value means that the ability of the dependent variables is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

Table 6. Test of Determination Coefficient (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871[a]	.758	.753	2.580

a. Predictors: (Constant), Innovation X2, Customer Relationship StrategyX1
b. Dependent Variable: Marketing Performance
Source: SPSS Data Processing Version 26, 2021

Adjusted R Square (R^2) value is 0.753 or 75.3%. This means that it can be concluded that 75.3% of the dependent variable can be explained by the independent variable, namely Customer Relationship Strategy. and innovation. While the remaining 24.7% can be explained by other variables outside the Customer Relationship Strategy variable. and Innovation.

CONCLUSION

Based on the results of the discussion analysis carried out using multiple linear regression, the following conclusions can be drawn:

1. Customer Relationship Strategy partially has a positive and significant influence on Marketing Performance. This proves that with Customer Relations it can improve SME Marketing Performance. So it is expected that SMEs are able to utilize Customer Relationship Strategy in business activities.
2. Innovation partially has a positive and significant influence on Marketing Performance. This proves that innovation can improve development and knowledge on SME Marketing Performance.
3. Customer Relationship Strategy and Innovation simultaneously have a positive and significant influence on SME Marketing Performance. in Bekasi City.

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