Determining the Factors to Engage in Batik Business: A Study among Batik Entrepreneurs in East Cost Malaysia

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Abstract
This study is to examine about determining the factors to engage in batik business among entrepreneurs in East Cost Malaysia. The purpose is to define the factors that influence the batik entrepreneurs conducting their business. This study was involved 160 entrepreneurs from 3 east cost state in Malaysia which is Kelantan, Terengganu and Pahang who run the batik business. Simple Random Sampling has applied in this study to the specific target population. This paper also discusses the findings of the study and to examine whether the objectives of this study can be achieve. The study comes out with findings and analysis of data from the conducted study. By according to the study, the dimension factors that been tested in this study was location, demand, resources and culture. From the findings, it can be concluding that the culture determines the entrepreneurs to engage in batik business. It also concludes that the resources give an impact to entrepreneur to engage in batik business although it influenced to a certain percentage. The study further concludes that the demand determines the engagement of entrepreneur in batik business. Finally, the study concludes that the location influence entrepreneur to engage in batik business through the strategic location where most of their business is located at the main city of state.

Keywords: Batik, Entrepreneur, East Cost Malaysia

1. Introduction

Batik is a superior handicraft sector in Malaysia. Batik industry is an industry that is synonymous with the people in East Cost Malaysia. The word is derived from the Indonesian batik which means “clothes have small dots”. The word “tik” means “point” which comes from the sound of ticking or “tik-tik”. Since the disintegration of the origins of batik cloth shrouded in mystery, making it impossible to historians found that when the technology was first discovered. The earliest evidence can be traced back to China and India, from which batik then travelled to the rest of the world (Alias, January 2010).

Malaysian batik is known as one of the greatest fabric creations around the world. Hand-made batik has been established since the early 1900s in East Coast of Peninsular Malaysia and is today widely accepted by both locals and foreigners. Batik fabric is a favourite of locals. Usually it is used as Batik Sarung and Batik Ela to be made dress. Previously, batik art is regarded as a traditional outfit but after various efforts had been made, batik now also been through the contemporary revolution in which batik used as an important element in design which can be modified to produce sheets, curtains, bedcovers, cushion covers, pillow cases, handbags, and various types of daily use goods which is lovely and beautiful.

Indeed, the Malaysian batik include fine art handmade to perfection and brought to life in stylish style. The most popular theme is a combination of flower, leaves and other elements that taken from the nature.

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Another inspiration came in the patterns and geometric designs, like the sun, the starts, the moon and the modern design of butterflies. Batik has various shades and colours, and can be in different types of fabrics, including silk, fuji, satin jacquard, chiffon, rayon, linen, crepe and cotton to create. In Malaysia, batik has become popular in recent years after batik named as formal wear, especially to those who are employed by government bodies such as attending meetings, gatherings, following by those large event, and others programme.

Issues

From the international perspective we can see that the problem toward the decrease of batik industry that experience loss. According to (Gatot Budiono & Aryanto Vincent, 2010) Batik clothes are a society national cultural heritage of Indonesia where in four decades has experienced profit, loss and legal intellectual property rights disputes in its business development. The problem of lack of property rights to be implemented has made several losses of income and legal ownership. A better production technology combined together with high cultural philosophical value needs to be paid attention to maintain quality and its exclusivity. The government should be more serious to protect batik craft pattern designers in order ascertain legal ownership product and design through a formal laws confirmations. With this batik issues in the international made we about to determine the factor in engage in batik business.

With the help from UNESCO in nominated and promoted batik as the Intangible Cultural Heritage of Humanity and after the nominated there are National Batik Day through Presidential Decree No. 33 2009 about National Batik Day. People celebrate it in many ways, through festivals, carnivals, exhibitions, or seminars. Moreover, government recommends to wear batik in daily activities as a uniform. With UNESCO promotion, batik becomes more popular in the international community. Various regions were developing their own batik, with their own uniqueness. Batik industries are growing more rapidly and contribute to economic growth. (“International Batik Day,” 2015)

The importance of entrepreneur was the knowledge and efforts in doing business that taken by local Batik business. Batik Business in East Cost Malaysia was one of the reasons why tourist often went there because there are many entrepreneurs in Batik business. Director of the Office of the State Ministry of Tourism, Sulaiman Ismail said the number was a significant increase compared with revenues of 4.3 million tourists RM1.7 billion the previous year. (Arkib, 24 May 2011) Entrepreneurial activities at East Cost Malaysia today are important and it can lead to economic growth once the Batik Business is productive and having good relationship with the industry. Director General of the Malaysian Handicraft, Mohd. Kamil Mohd. Ali said that “After nine years of implementation, the production of commercial craft products can generate income and contribute to the improvement of the national economy,” (Kosmo 2011) Therefore this study is about to determine the factors to engage in Batik Business among East Cost Malaysia’ entrepreneur.

This is because there have several problems that faced by Batik entrepreneur especially for those entrepreneurs that take Batik from same distribution is competitor. We know that entrepreneur who in same business should have competitor. There are many competitions among the entrepreneur in the way to attract customer to buy their Batik. We can see when it came to price there will be same price and different price in same Batik pattern. Furthermore, there are problem for entrepreneur in getting their Batik resources, because Batik resources in East Cost Malaysia are limited. To be different from each other the entrepreneur must work hard in doing their promotion in different way in order to get customer. With many competitors it will help entrepreneur gain a lot of experience and knowledge to keep their business running and gain profit. So sometimes competitor can be in a good side when it compete in healthy way.

Besides, there are problem relate to financial that most of entrepreneur doing business will have problem in financial, but for the Batik Business financial can get problem in theirs start up business. Their financial in doing the business are come from family, friends, loans from bank or fund from government. Government help a lot of entrepreneur in Batik business in order to help the entrepreneur can expand their business bigger than before. But sometimes the fund or loan not enough to help the entrepreneur to open or expand their business because the increase of price in Batik resources and the limited resources and high
President of the Young Entrepreneurs Association (GMB) Malaysia, Agil Faisal Ahmad Fadzil said batik industry face many problems including energy resources, dependency on external fabric of the country and the difficulty of marketing products to certain countries. (Mahamad, 6 February 2014) So this will affects the entrepreneur in doing their business and give problem to them to make sure financial always enough to maintain their business. Hence, through the issues mentioned above, we would like to determining the factors to engage in Batik business among Kota Bharu’ entrepreneurs.

**Objectives of Study**

Several studies on Batik Industry, it is becoming more popular among tourists because is the art of decorating fabric with various patterns. Batik is historically the most soulful and used as traditional clothes. The objective of this project is to study factors to engage Batik Business. The objectives can be summarized as:

1) To identify the relationship between resources and Batik Business engagement.
2) To identify the relationship between location and Batik Business engagement.
3) To identify the relationship between demand and Batik Business engagement.
4) To identify the relationship between culture and Batik Business engagement.

**2. Literature Review**

- **Location**

  Location is especially important for business in the retail because they good deal on visibility and exposure to their target markets. It’s also important for service and manufacturing ventures such costs as advertising, promotion, and distribution that are a direct result of when they’re located. The location of the business is important for the strategic interest of entrepreneur and for the development.

  Location can effectively reduce running costs, minimize operational risks, and bring in certain kinds of knowledge flow, all of which ultimately place the firm in a competitive position relative to its rivals (Wang, Zhao, Gu, & Chen, 2011). Location advantages include factor endowment and availability, geographical factors (allocation of resources reflected by legislation), licensing of technology, patent system, and tax and other financial policies (Wang et al., 2011).

  Define resources as tangible and intangible assets that organizations use to choose and implement strategies. The example of tangible assets is location (Wannursw, Mohd Zulkifli, & Azwadi, 2013). Therefore, the tangible assets have long term physical and acquired for use in the operations of the business and it can’t sale for customer. Geographical scale and location play a role in all aspects. Different creative businesses are affecting on location because the attraction towards the product by customer will increase. For example, Comunian, Chapain, and Clifton (2010) discusses the role of local attractions and amenities in the development of a cluster based on creativity, suggesting that the physical aspects of a place are meaningful to its cultural and creative production.

  In rural tourism entrepreneurship show to skills, local conditions, local culture, contributing to the success factors of destinations, as the strength of the local culture for future innovation and development while awareness of the local traditions to forms entrepreneurial innovation. For analysing patterns and motifs which has been used it refer to location (Legino, 2012) researched the placement and repetition of motifs in pattern construction in textiles. Most of the East Cost Malaysia people have certain capacity and cleverness to develop the culture influence according to the circle of local condition or surroundings (Pinta, 2015). Therefore, product has focus with a better position to compete in the global market place and achieve higher margins for products while yield greater profitability (Adeoye, 2010) implementing consumer.

  The factors that determine the growth intention of business have several such as entrepreneur demographics, entrepreneurs’ personal context, external environment, organizational factors, and
characteristics of the local context such as the availability of externalities. These factors together influence the entrepreneur’s decision to initiate a business as well as their intention to grow the business (Neneh & Vanzyl, 2014).

Location is a tangible asset. The tangible assets have long term physical and acquired for use in the operations of the business and it can’t sale for customer. Entrepreneurship is generally accepted to be a necessary condition for sound long-term economic development (Kabir & Huo, 2011). The effort of the government in making the area of Batik village being in the cultural heritage area is reflected in local regulation (Ngatindriatun, 2014). A strategic location of the business could include the nearness to raw material, accessibility to business premises, good road network, busyness of the area of the business etc (Lucky, 2012).

- **Resources**

According to Djoko, Umar, Djamhur, and M (2013), resources can be told a strategic if it meets the criteria of “VRIN” that is valuable, rare, inimitable and non-substitutability, which can be used as a base to create competitive advantages as a “bridge” to realize the desires of company’s performance. Besides, the resource creates value when it allows the company to devise and implement strategies that will improve its efficiency and effectiveness (Cardeal & Antonio, 2012). Resource is defined as the factors that are owned or controlled by a firm to perform its activities (Manan & Jan, 2010b). Furthermore, (Wannursw et al., 2013)define that resources is tangible and intangible assets where the organizations use to choose and implement strategies. For the Mohd Zulkifli and Wan Nur Syahida Wan (2012), resources are classified into 3 categories; Physical Capital Resources, Human Capital Resources and Organizational Resources. Intangible resources include organizational styles, values, and leadership as well as intellectual property rights, contracts, reputation, trade secrets, knowledge, and culture (Meyskens, Robb-Post, Stamp, Carsrud, & Reynolds, 2010).

The basic material aside from cotton called mori, can be also silk, lycra, rayon and polyester physically form as ordinary textile, there are also weaving products produced by using traditional wearing tool or traditional looms called ATBM with using certain patterns (GATUT Budiono & ARYANTO Vincent, 2010). According to Muh Fakhrihun and Arif (2015), materials for making batik include the main materials and the supplementary materials. The main materials are textile materials like, among others, mori, which is the raw material of cotton batik.

Besides, the skill of making the batik is also part of the resources. Batik industry is a labour-intensive-industry where most works are done manually (Manan & Jan, 2010a). Designers are valuable resources because as batik firms need to consider “what design sells?”, their knowledge, skills and design capability would play roles in determining designs that able to motivate customers to buy (Manan & Jan, 2010a). In batik industry labours are used by batik firms for most of their batik production including motif drawing, stamping, brushing, dyeing, washing and drying (Manan & Jan, 2010b). Thus, this resources can be sustained competitive advantages and benefit to the performance of the company.

Furthermore, a good reputation can also be contribute as a resources to the company. Reputation is valuable because more opportunities are opened up to firms and make operations more effective and efficient (Manan & Jan, 2010b). Firms need to gain reputation through the quality of products and services that they provided to the customers. It is not easily to get good reputation because it need to build over time, so reputation is a resources that are cannot copy by others competitors. It is very rare and valuable resources.

There is another resources that is importance to the firm which is network. (Manan & Jan, 2010c) defined network is the connections that a firm has with other firms or individuals for socially or economically purpose. Its ability to provide a firm access to information referrals, resources, markets, technologies makes a network a valuable resource that could help the firm’s effectiveness and efficiency (Manan & Jan, 2010b).
Culture

Culture mean the values and beliefs held by a firm and those values and beliefs guide the behaviour of firms’ members and culture is valuable because it guides actions and synchronizes decisions which can enable a firm to implement strategies that are followed by its members. But also culture are rare when its attributes are not similarly shared by other firms’ cultures and difficult to be copied because the resource is developed based on a firm’s accumulated learning and experience over a long and also involving complex social interactions among the firm’s members. Many factors such as history, firm’s objectives, size, technology and environment influence the creation of that are not easy to be identified making culture more difficult to be imitated (Manan & Jan, 2010).

According to CARLA, culture means as the shared patterns of interactions and behaviours, cognitive constructs, and affective understanding that are learned through a process of socialization. This can shared patterns identify the members of a culture group while also distinguishing those of another group. (CARLA, 27 May 2014)

One of the factors which have substantial influence on the Batik motifs of this country is the culture and religion. Malaysia one of multi-cultural society there are Islam, Buddhism, Christianity and Hinduism four religious which exists in this country. But also Malaysia is a multi-cultural, multi-ethnic and multi-lingual society including Malays, Chinese, and Indians and the most dominant ethnicity is the Malay and the major religion is Islam. According to the Islamic regulations in this country are discouraged from the use images of animals and human figures and as a result this is another influential element on the usage of the illustrations derived from the greenery. Actually 70% of the illustrations used in the Batik art in this country are plant patterns (Sabzali Musa, 2012).

Cultural identifiers examine the condition of the subject from a variety of aspects that include gender, race, place, language, nationality, sexual orientation, history, religious beliefs, ethnicity and aesthetics. Culture also as a social practice, where is not something that individuals possess. Somewhat, it is a social process in which individuals participate, in the context of changing historical conditions. Also known as "historical reservoir", it means culture is an important factor in shaping identity (Oparinde, 2012).

Model of cultural types is theoretically strong and have been used quite frequently in the past. The model shows that there are four types of culture. For the first model clan culture is a culture that focused on internal maintenance though flexibility where the firm members are treated as a family and therefore very much emphasized on loyalty and social relationship. Second adhocracy culture is a culture that focused on external positioning through flexibility, culture may be looked as entrepreneurial culture as the culture focused on innovation, creativity, and risk taking. Third, hierarchical culture is a culture that concentrates on internal maintenance using orders and stability. This culture uses rules, policies and procedures to ensure smooth operations. Fourth, market culture is oriented towards external positioning where goal achievement and competitive actions are prioritized (Manan & Jan, 2010a).

Culture is a central concept in anthropology, encompassing the range of phenomena that are transmitted through social learning in human societies. Where the word is used in a general sense as the evolved ability to categorize and represent experiences with symbols and to act imaginatively and creatively. This capacity is often thought to be unique to the humans, although some other species have demonstrated similar, where it much less complex abilities for social learning. But it also used to denote the complex networks of practices and accumulated knowledge and ideas that is transmitted through social interaction and exist in specific cultures or human groups, using the plural form.

Export value from the batik industry, batik industry development, domestic use of batik and microcredit or loan from banking industry to SME. Many people wearing batik to show how they do appreciate and belong to a culture. But Batik also gives other spirit of nationalism which represent in Batik Nationalism. Role of batik in international diplomacy and in the world level gives significant meaning for batik as a commodity which preserve Indonesian culture. In a piece of batik cloth, embodied socio-cultural and economic values that maintain the dignity of a nation. Batik is a product of culture and as we all know it is
not only a cultural heritage but also provide a livelihood for millions of people of Indonesia. Batik is not only
a nation icon of Indonesia but also a nation heritage which is preserve nation culture and gives economics
value by giving some multiplier effects in finance sector and reducing level of unemployment (Steelyana,
2012).

The layout of the batik sarongs in Malaysia shows some influences from the layout of the Javanese batik
sarongs. Both countries share inspiration from nature, and are also influenced by some images from their
cultural background. For example, they both share a similar experience with foreign immigrant cultures from
India, China and Europe. There are some differences in the design proportions and motifs that have developed
in Malaysia. One of the most significant factors influencing Malay design is the Islamic cultural norms for
depicting fauna and the restriction of figurative representation. The national culture policy further enforced a
sense of Malay identity in the choice of motifs. The diversely shaped motifs are arranged carefully on the
surface of the batik sarong in a specific composition that reveals the beauty of its design, when draped over
the wearer (Legino & Forrest, 2011).

The art of batik, a wax-resist technique for dyeing cloth is one of the ten cleverness namely local genius
that has been mastered by Javanese people before the influence of Indian Hindu culture. Most of the
Javanese people have certain capacity and cleverness to develop the culture influence according to the circle
of local condition or surroundings. Batik making techniques that were developed by the palace so close with
traditional existence, a situation of environment that still sustained Hindu-Java culture to give opportunity to
the noblewomen to obtain a deep understanding of basic education of batik art - starting from arrange batik
motifs until the steps of batik making that involved their refined taste, deep spiritual training and diligence
(Pinta, 2015).

- **Demand**

  The term “demand” is defined as a buyer’s willingness and ability to pay a price for a specific quantity
of good or service. Demand refers to how much of a product or service is desired by buyers at a various
prices. The quantity demanded is the amount of a product people are willing to buy at a certain price; the
relationship between price and quantity demanded is known as the demand. There is few factors that affect
the demand in batik which is the pricing policy, product differentiation, and quality.

  Price has been shown to be a major influence on customer satisfaction in the manufacturing industry as
a whole, as well as in service industries (Li & Hitt, 2010). Kim, Xu, and Gupta (2012) also stated that
product price has long been considered a key predictor of customer choice. According to R. A. M. Febrianti
and Ariffin (2013), the pricing policy of a products has many targets, among others: obtaining market
position in the form of sales and market segment, so that it reaches advantages in the form of profit, the
placing of product in the form of image and product awareness, stimulate demand in influencing customers.
A change in consumer demand that results from a unit change in price is commonly referred to as price
estasticity of demand (Gyamfi, Krumdieck, & Urmee, 2013). Hence, the price can affect the demand when it
is cheap then there will be an increasing in the demand. Firms can use prices to influence current brand
choices and, thus, influence future demand (Dubé, Hitsch, & Rossi, 2010).

  Besides, the product differentiation is also one of the factors that affecting the demand. Product
differentiation is the present product offered having different feature from the standard which is offered in a
competition, which is correlated with the market segmentation, where the difference is well communicated
(R. Febrianti & Dora, 2013). In southern Africa, the industrial value chain is driven by apparel production, so
the demand for fabric and yarn is driven by the demand for apparel (Bennett, Salm, & Greenberg, 2011).
Innovation need to be followed with respect to development, in particular those related to innovation of motif
design re-modified adapted to market demand (R. Febrianti & Dora, 2013). The difference design of batik
can affect the interest of customer and also stimulate the demand.

  Consumer demand for fabric with excellent fastness properties is of great concern to apparel
manufactures (Mall & Mall, 2013). Quality has been defined as fitness for use, or the extent to which a
product successfully serves the purpose of consumers (Jahanshani, Hajizadeh, Mirdhamadi, Nawaser, &
In addition, service quality has been well recognized for playing a crucial role in improving organizational profits because it is directly related to customer satisfaction, and customer loyalty (Hwang & Zhao, 2010). Throughout this, we can see that the quality have an impact on demand.

**Entrepreneurial Engagement**

Entrepreneurial engagement is a newly developed concept built on the recognition that entrepreneurship or “the creation of new economic activity” can be viewed as a process that includes several (successive) engagement levels, such as intentions to establish a firm and actual start-up activity (Hessels, Grilo, Thurik, & van der Zwan, 2011). Batik industry has contributed to the development of Malaysian economy because the industry’s products especially textile and crafts able to help the performance of tourism industry, and able to provide job and business opportunities (Manan & Mamat, 2011). Batik textile has evolved from the task inherited by generations of batik maker families to team effort within an organization to produce batik textile for a more diversified consumer communities (Hanitahaiza, Nor Laila Md, & Ariff Md, 2012).

According to Verheul, Thurik, Hessels, and van der Zwan (2010), entrepreneurs who start a business because they want to earn more money than in wage-employment, can be expected to behave differently than individuals who create a new venture to be better able to combine work and household responsibilities. Even if life as an entrepreneur had begun due to a lack of viable alternatives in the labour market, it may nevertheless evolve into a desirable alternative over time as the individual becomes more accustomed to working as self-employed and if the business begins to generate a steady income (Kautonen & Palmroos, 2010). Beside, Giacomin, Janssen, Guyot, and Lohest (2011) stated that an individual can be pushed into entrepreneurship because of the obligation to take over the family business.

Creating a new firm is a complex and idiosyncratic process, Edelman and Yli-Renko (2010) stated that the entrepreneur needs to garner support, obtain the required resources, and generate enough commitment from organizational stakeholders to take the idea from vision to reality. Based on Dimov (2010), a human capital perspective has been used to predict a variety of entrepreneurial outcomes such as becoming a nascent entrepreneur or self-employed, new venture formation, and new venture performance and survival. Hence, general human capital can increase the likelihood of engaging in start-up activities and of venture survival (Dimov, 2010). From a methods point of view it is particularly notable that founders with higher levels of human and financial capital are likely to start higher ambition ventures but also have higher opportunity costs (Davidsson & Gordon, 2012). Moreover, greater government spending may provide resources to maintain strong institutions, and thereby reduce barriers to entrepreneurial entry such as weak property rights as well as eliminating some of the incentives for corruption by ill-paid officials (Aidis, Estrin, & Mickiewicz, 2012).

### 3. Methodology

The quantitative research method was used to get the determining the factors to engage in batik business among entreperenuer in East Cost Malaysia which is Kelantan, Terengganu and Pahang. Quantitative research is the systematic empirical investigation of observable phenomena via statistical, mathematical or computational techniques. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships.

Quantitative data is any data that is in numerical form such as statistics, percentages and so on. The researcher analyzes the data with the help of statistics. Simple random sampling has applied in this study to specific the target population. In this study, respondents is not selected based on age or gender and have chosen randomly due to prevent bias and negative effect on the validity and result of research. Furthermore, descriptive research that involved quantitative method has been exploited in this study. Quantitative method is research method that relies more on the collection and analysis numerical data and statistic. Besides that, Statistical Package for Social Science (SPSS) version 22.0 has been utilized in this study due it is suit for analyze final result of this research topic.
In order to accomplish the objectives of this study, quantitative method was used. For quantitative method, primary data has been used where such data is collected with the distribution of questionnaire as instrument and is distributed to the targeted population of entrepreneur. A well designed questionnaire encourages respondents contribute complete and accurate information based on the research.

4. Results And Findings

- Demographic Data

For the demographic information obtained from the respondents include gender, age, education level, marital status, daily working hours, monthly income, business period, type of business and type of batik product. Table 1 showed the percentages of respondents by gender out of 160 respondents only 31.88% of total respondents were male and the rest 68.13% were female respondents who involved in this study. Then, table also shows the percentages of the respondents by age. Majority of the total respondents were between 36-45 years old by 30.63%, which were 49 respondents. This followed by between 26-35 years old 25.63%, more than 56 years old 19.38%, between 46-55 years old 18.75%, and less than 25 years old 5.63%. For the education level showed that the majority of the respondents were Secondary school level with the percentages of 86.25% continue with Undergraduate level 9.38%, Primary or below level 3.8% and Postgraduate 0.63%. Furthermore, for the marital status, it showed that the majority of the respondents were married with the percentages of 76.25% and the rest 23.75% were single respondents who involved in this study.

Furthermore, for daily working hour, its showed that the majority of the respondents are working with 5-8 hours with the percentages of 90.63% continue by 9-12 working hour 7.50%, more than 13 hours 1.25% and the rest is less than 4 working hour which is 0.6%. Table also showed about an analysis on monthly income generate by the entrepreneur where the majority of the respondents are having monthly income between RM3001-RM4000 with the percentages of 45.00% continue by monthly income less than RM1000 26.88%, between RM2001-RM3000 20.00%, between RM1001-RM2000 6.88% and the rest is more than RM4000 which is 1.25%. For the analysis on business period, the table showed that the majority of the respondents business operate are between 3-5 years with the percentages of 50.63% continue by operating more than 6 years 33.75%, between 1-2 years 14.38%, and the rest is less than 1 year which is 1.25%. Table also showed that the majority of the respondents running the category of business are enterprise with the percentages of 66.88% continue by Sdn Bhd 15.00%, Partnership 14.38%, and the rest is sole-proprietorship which is 3.75%. Lastly showed that the majority of the respondents selling the category of batik are clothing with the percentages of 53.13% continue by fabric 40.00%, handicraft 3.13%, and the others is 3.1%.

<table>
<thead>
<tr>
<th>Table 1: Demographic Data Of Respondents</th>
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<tbody>
<tr>
<td><strong>Category</strong></td>
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<td>Gender</td>
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<td>Marital Status</td>
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Based on Table 2, respondents were asked to point out their perceptions and agreement towards the statement in the questionnaires by using the five points Likert Scale answers. The scales were ranged between 1= strongly disagree to 5= strongly agree. An even numbered scale would not have a midpoint and thus, forced respondents to make a choice. The overall mean for business engagement was 4.17 (sd=0.513), resources was 4.03 (sd=0.543), location was 4.19 (sd=0.471), demand was 4.15 (sd=0.451), and culture was 4.10 (sd=0.427). Based on the results, it can be summarize that most of the respondents which are agree to participate in this study where the majority of the answers fall at point of 4, which is, they agree to each statement.

### Descriptive Analysis

#### Table 2: Descriptive Analysis

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
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<tr>
<td>Business Engagement</td>
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<td>0.513</td>
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<tr>
<td>Resources</td>
<td>4.03</td>
<td>0.543</td>
</tr>
<tr>
<td>Location</td>
<td>4.19</td>
<td>0.471</td>
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<tr>
<td>Demand</td>
<td>4.15</td>
<td>0.451</td>
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<tr>
<td>Culture</td>
<td>4.10</td>
<td>0.427</td>
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The Pearson correlation test is one of the important tests that measure the linear relationship between two variables. The objective of this test is to determine whether the correlation coefficient is statically significant and to identify which hypothesis should be accepted or rejected. If the relationship is significant, the researcher must decide what strength of association is acceptable (Hair et al, 2003).
Table 3: Correlation Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Business Engagement</th>
<th>Resources</th>
<th>Location</th>
<th>Demand</th>
<th>Culture</th>
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<td>Business Engagement</td>
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<td>Resources</td>
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<td>.261**</td>
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<td>Demand</td>
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<td>.301**</td>
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<td>Culture</td>
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</table>

Table 3 illustrates Pearson correlation coefficient, significant value and the number of cases which is 160. The index obtained on the resources $p = 0.518$ and $p$–value = 0.000 which is highly significant. Since 0.518 is relatively close to 0.31 and 0.6, this indicates that both variables are moderately correlated ($p = 0.518, p < 0.01$). Therefore, the resources variable is associated with the entrepreneur engaged in batik business. Thus, the researcher accepted the alternate hypothesis ($H_1$) and rejected the first null hypothesis ($H_0$).

**$H_1$: There is significant factors of resources toward engage in Batik business.**

In addition, the table also illustrates Pearson correlation coefficient, significant value and the number of cases which is 160. The index obtained on the service $p = 0.584$ and $p$–value = 0.000 which is highly significant. Since 0.584 is relatively close to 0.31 and 0.6, this indicates that both variables are moderately correlated ($p = 0.584, p < 0.01$). Therefore, the location is associated with the entrepreneur engaged in batik business. Thus, the researcher accepted the alternate hypothesis ($H_2$) and rejected the first null hypothesis ($H_0$).

**$H_2$: There is significant factors of location toward engage in Batik business.**

In addition, for the Pearson correlation coefficient, significant value and the number of cases which is 160. The index obtained on the route $p = 0.555$ and $p$–value = 0.000 which is highly significant. Since 0.555 is relatively close to 0.31 and 0.6, this indicates that both variables are moderately correlated ($p = 0.555, p < 0.01$). Therefore, the demand is associated with the entrepreneur engaged in batik business. Thus, the researcher accepted the alternate hypothesis ($H_3$) and rejected the first null hypothesis ($H_0$).

**$H_3$: There is significant factors of demand toward engage in Batik business.**

At last but not least, the table illustrates Pearson correlation coefficient, significant value and the number of cases which is 160. The index obtained on the route $p = 0.761$ and $p$–value = 0.000 which is highly significant. Since 0.761 is relatively close to 0.61 and 1, this indicates that both variables are strongly correlated ($p = 0.761, p < 0.01$). Therefore, the culture is associated with the entrepreneur engaged in batik business. Thus, the researcher accepted the alternate hypothesis ($H_4$) and rejected the first null hypothesis ($H_0$).

**$H_4$: There is significant factors of culture toward engage in Batik business.**

5. **Discussion**

From the findings of the research which presented in the Chapter 4, our study is focused on factor that engaged to batik business, the relationship between demand, culture, location and resources that engage to the batik business for the batik entrepreneur were due to the decision in selecting towards the factors. The independent variables was very significant is location. Location have the highest average mean scored as
much as 4.19. As we know that, business’s location is key to successful in operations and can give impact in overall growth. When choosing strategic location, entrepreneur need to be consider company needs, customers, employees and equipment needed to complete their business. For example, Kelantan is one of the famous place that was produced the batik with unique design because their entrepreneurial characteristics. These characteristics are fundamental to the process of innovation. (Kurniawan, bin Zakaria, bin Yusuff, & bin Wan Abdullah, 2011). Besides that, in East Cost Malaysia the cottage industries which employ traditional skills in handicraft production such as batik, woodcarving and songket weaving are very evident to all people looks and research about their traditional. The patterns was created by batik entrepreneurs based on culture. Furthermore, to make customer attraction to the batik, colour plays an important role in batik making (Oparinde, 2012) to come up with clear about the patterns. Reliability test is performed to examine 20 items/questions in the questionnaire survey for internal reliability of scales. According to Vijaya, M., & Sumeet, M. (2015), Cronbach’s Alpha of 0.829 which is at the range of good. The alpha coefficient of independent variables, Resources (0.843), Location (0.851), Demand (0.805), and Culture (0.779) and dependent variable, Engagement (0.834).

6. Conclusion and Recommendations

As a conclusion, in an effort to maintaining engaging to batik business the culture, location, resources and demand are very important. Hence, with the recommendations given, researchers hope that it will be able to help the batik entrepreneurs to managing their business more effectively. Thus, with skills and experience it is not possible for them to become one of the success batik entrepreneurs in East Cost Malaysia. Location is the main factor that engaging to batik business. There are several recommendations for future research to further improve the result of the study. Future research should take into consideration larger sample size across all batik entrepreneur undergraduates with the objective of generating more accurate and conclusive results. Since this study is focused on factor that engaged to batik business, the relationship between demand, culture, location and resources that engage to the batik business for the batik entrepreneur were due to the decision in selecting towards the factors. The recommendation for the culture factor is the batik entrepreneur should research about the other culture design from other country or from other culture to make a creative design with the unique method. This other culture design will make the different country visitor to attract among the design that followed by different culture. The next recommendation for culture factor is by exporting the batik of culture to other country to introduce the design that created by the local state. This action will make the batik culture in become more popular in other country because of the unique design. By exporting the batik of to other country, the batik entrepreneur also can import their culture of batik from other country as barter system which is by exchanging the culture and also the batik. The recommendation for demand factor is by improvising the design of batik which was produces and sells by the batik entrepreneurs. This design improvising can attract the customer who always follow the latest design and also can keep the loyal customer on buying the new batik design. This is because customer will always look first for the design before the customer purchase to the product and also will make the right choice. The next recommendation for demand is the batik entrepreneur should join any event that regarding to the batik sale. This can make the batik brand image be clearer in customer view. When the batik entrepreneurs collaborate with the event that related to the batik, via this the customer can differentiate the batik quality with other design and also can compare the prices that are set by the seller. For location factor is by expanding more branches over the places where surrounded by more people. This will make the product become more familiar and also more popular because the customer will spread it quickly when the product is highly demand as well. In addition, the customer will easy to reach to the product because it is accessible. The next recommendation for location factor is by opening the business at the strategic places as Central Business District where the foreigners can find easily when they came to visit our country, this because the other country visitor will find complicated if the famous product located in rural places. The batik entrepreneurs should locate the place where the new customer can access easily. The recommendation for resource factor is the entrepreneur should know the place where can get the good resources and also quality resources easily. By this, the batik entrepreneur can differentiate the resources that others batik seller using to provide the batik. Resources plays a big roles to
provide batik, this is because producer is very important to create product. Customers always prefer to the quality resources and branded resources when purchasing to the batik. The next recommendation for resources factor is the entrepreneur should make research about the competitor using resources to produce batik which will always make the other batik seller to compute. These techniques can give impact to the profit for the sales to the batik entrepreneur. This can create a different ideas which the batik entrepreneur can improvise their product with the new ideas. The last recommendation for resources factor is the entrepreneurs make sure get to know about the resources skills. The batik entrepreneurs should know and explore to the knowledge of the resources skill to provide the batik cloth, fabric, and handicraft and so on. Therefore, they can know how to manage all the procedure to make the batik followed by step which can make easy to manufacture with high quality.

References


