Consumer Trust in Companies that Employ People with Disabilities in the Handicraft Industry Center for Disability in Sewon, Bantul, Yogyakarta in 2019

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Abstract: This study is intended to test the influence of the marketing mix on customer satisfaction, the influence of marketing mix on customer trust, the influence of marketing mix on corporate image, the influence of customer satisfaction on customer trust, the influence of company image on customer satisfaction and the influence of company image on customer trust. The research sample is customers who buy products produced by companies that employ people with disabilities in Jogjakarta. Data analysis using Structural equation model (SEM).

The results of the study showed that: marketing mix has a positive effect on customer satisfaction, marketing mix does not have a positive effect on customer trust; marketing mix has a positive effect on corporate image; customer satisfaction does not have a positive effect on customer trust; corporate image has a positive effect on customer satisfaction; corporate image does not have a positive effect on customer trust.

Keywords: disabilities, customers satisfaction

1. INTRODUCTION

Customer trust is very important to a company because it increases sales volume. To gain customer trust, the company tries to maintain excellent service, an affordable price and a good quality product (Goetsch & Davis, 2016). Therefore, to get customer trust is not easy. Companies have to pay attention to all aspects to get customer trust. The challenge is even higher for companies that employ people with disabilities (people with special needs). In this case, the companies have to work very hard to facilitate employees with disabilities. Because they have many disabilities, many adjustments have to be made both by the company and its employees.

It is very difficult here to examine businesses that are 100% run by people with disabilities. Enterprises managed by persons with disabilities are often done individually. If they are in groups, they are usually not formally established legal entities. There are also legal entities in the form of cooperatives that are established by associations concerned with disabilities, especially those specifically initiated to empower disabled groups. But there are very few of these and the number is not sufficient to be the subject of quantitative research.

Previous research on the contribution of persons with disabilities to the economy or activities in the field of marketing does not yet exist. Most previous writers wrote about people with disabilities as the company's target market or as buyers, not as marketers. There are, however, several previous studies that do contain the keywords disability and marketing. One is Isabelle Cloquet, Marco Palomino, Gareth Shaw, Gemma Stephen and Tim Taylor (2018) in Disability, Social Inclusion and the Marketing of Tourist Attractions, from Journal of Sustainable Tourism Vol. 26 Issue 2. This study focuses on tourism, including people with disabilities, but people with disabilities are there only as customers. Due to limited supporting references and previous research, we have not found anyone writing about marketing activities carried out by people with disabilities, so this research will be conducted on companies that employ people with disabilities in handicraft industry in the Center for Disability in Sewon, Bantul-Yogyakarta, Indonesia. On July 17, 2017, the Director General of Social
Rehabilitation of the Ministry of Social Affairs stated that Sewon Village, Bantul Regency, Special Region of Yogyakarta is a handicraft center for people with disabilities (Ministry of Social Affairs, 2017).

A preliminary interview was held with the Head of Bantul Regency Cooperative Development, to determine the nature of any problems or issues. Notes from interviews relating to opportunities and threats to the handicraft industry, note that: the main problem of the industry is marketing. The products produced are unable to compete due to the old-fashioned design, and the price for promotional activities is relatively expensive because entrepreneurs who take part in the exhibition raise the selling price so they can pay for the exhibition. The exhibition costs are quite expensive which causes the price to be unstable. Thus, it can be concluded from the results of the interview that the main problems faced by the company are business competition, raw materials, capital support and sales.

2. LITERATURE REVIEW

2.1. Customer Trust Concept

According to Robbins and Judge et al. (2009), trust is a process of positive expectations based on relevant experience. Expectancy requires time to shape it. It needs to be built little by little so that it accumulates. Customer trust can be explained through the dimensions of experience, information, and strong passion, because it depends on the experience of consuming products and information received from the seller. Therefore experience and information will accelerate the growth of customer trust in sellers. That is why experiences stored in consumers' memories of a product can strengthen people's trust if the experience is pleasant and satisfying. Meanwhile, Colquitt et al. (2009) defines trust as a willingness to be resigned to those in power by hoping positive things will happen, or interpreted as a psychological condition in the form of an intention to accept the uncertainty of positive expectations of the intentions and behavior of others. Based on various dimensions of customer trust from various sources that have been studied, then the dimensions proposed are integrity, evaluating honesty and truth; consistency, related to reliability; openness; work ability; virtue; object; mechanism (Robbins dan Judge et al. (2007), Dwyer and Tanner et al. (2007) and Bateson and Hoffman et al. (2008).

2.2. Marketing Mix Concept

Gitman and McDaniel et al. (2009) state that the marketing mix is a combination of product offerings, prices, promotions, distribution systems, employees and consumers that bring the highest value to customers. The combination of these various activities is expected to succeed in the marketing activities of goods/services undertaken by the company so as to generate profits. Whereas Rao et al. (2011) explains that the marketing mix is a combination of integrated marketing strategies used to achieve the objectives of the marketing plan. Marketing strategies cover many things such as promotion, distribution channel selection, pricing, and also location selection, employees, consumers, how to process and physical evidence. The combination of these various marketing strategies shows the marketing mix. Opinions of Lamb, Hair and McDaniel et al. (2012) which emphasizes strategy more, saying that the marketing mix is a blend of product strategies, promotions, places, prices, employees and consumers, processes, and unique physical evidence designed to produce a mutually satisfying exchange with the intended market. From the definitions above it can be seen that there is a common understanding of the marketing mix. Service marketing mix shows a combination of various strategies or a set of marketing tools that aims to realize the marketing plan set by the company. Study of the literature on the dimensions of Marketing Management proposes 5 dimensions: Product, Price, Promotion and Place and Service (Rao et al., 2011; Lamb, et al., 2012).

2.3. Customer Satisfaction Concept

Customer satisfaction is well known and is a standard concept in marketing studies, customer behavior and psychology. Customers in the current e-commerce era are increasingly given information related to products and services so that they are free to choose according to their needs and expectations. They are trying to find a product or service that can provide maximum value to consumers with all the limitations of price information, knowledge, mobility and income. They hope for a product or service that offers the highest value and can provide satisfaction for customers. Kotler and Keller (2012) define customer satisfaction as someone's happy or disappointed feelings that arise after comparing the perceived product performance with the expected product performance. Likewise
Zeithaml and Bitner et al. (2011) say that, satisfaction is the evaluation of consumers of products or services by comparing the products or services needed with the expected. More broadly, Hill and Alexander (2006) state that satisfaction is related to feelings of acceptance, happiness, satisfaction and joy. Based on the dimensions of customer satisfaction that vary from various sources that have been noted, this study proposes the dimensions of Service by Employees and Management; Billing bills: accuracy and correctness; Price of goods purchased; Product quality; Product Variations; Store facilities selected based on Phuc and Ian et al. (2001) and Barsky and Nash et al. (2003).

2.4. Corporate Image Concept

Image is a set of beliefs and impressions that a person has of an object. There are three types of images that can be identified; corporate image, that is a society's view of the whole company; product image, a public view of a product or category of a product; brand image, a public view of the brand of a product.

An understanding of the company's image must be distinguished from an understanding of the company's identity. Selame and Selame (2000) state that company image and company identity are different things. The company's identity is what is displayed by the company. Identity shows what is in the company, while the image is the perception or assessment of the community against the identity of the company. Gregory and Wiech Mann et al. (1999) states that a company's identity consists of two main elements; trademark or brand and logo. Company identity is one important factor that influences the successful formation of a company's image. A good corporate identity will have an impact on building a positive image. Dimensions proposed by this study include the stability of the Company in the supply of products. The dimensions proposed in this study include the stability of the company in product supply, corporate responsibility, care for the environment and companies that have social responsibilities; the company's brand products are good; company performance; growth and development companies (Chattanon et al., 2007); Sirdeshmukh et al., 2002).

Based on the study of the theory, several research hypotheses can be proposed:

H1: Marketing Mix has a positive effect on Customer Satisfaction
H2: Marketing Mix has a positive effect on Customer Trust
H3: Marketing Mix has a positive effect on Company Image
H4: Customer Satisfaction has a positive effect on Customer Trust
H5: Company Image has a positive effect on Customer Satisfaction.
H6: Company Image has a positive effect on Customer Trust

3. METHODOLOGY

The population of this study is consumers who have shopped at least once in one of 20 stores that employ disabled groups. While the sample is part of the population that has characteristics similar to those of the population selected by criteria, namely consumers who shop at the store at least once. To determine the number of samples according to Hair, Black, Babin and Anderson (2014), the number of samples is 5X to 10X the number of indicators. The number of indicators is 22 so that the sample size is 22 X 10 = 220 respondents, the data obtained total 276 which means that they meet the requirements. This research will use the SEM approach with the LISREL software, Lisrel program requirements. According to Umar (2019: 109), one thing lacking from Lisrel software is its inability to process SEM data with a small number of samples. When we have a sample of less than 200, while the model is complex, sometimes the estimation results do not meet our expectations. If more than 300 Lisrel will be very sensitive to the results of the analysis. For Lisrel the ideal sample size is 200-300. This study sample of 276 then meets the requirements.

Table 1. Operationalization of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>No</th>
<th>Dimension</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>1</td>
<td>Product</td>
<td>Product Quality</td>
<td>Interval</td>
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<tr>
<td></td>
<td>2</td>
<td>Product</td>
<td>Product Design</td>
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<td>3</td>
<td>Product</td>
<td>Product Innovation</td>
<td>Interval</td>
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<td></td>
<td>4</td>
<td>Marketing</td>
<td>Price match with</td>
<td>Interval</td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>Mix</th>
<th>Price</th>
<th>Competitor Product</th>
<th>Interval</th>
</tr>
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<tbody>
<tr>
<td>2</td>
<td></td>
<td>Price stability</td>
<td>Interval</td>
</tr>
<tr>
<td>3</td>
<td>Place</td>
<td>Store environment</td>
<td>Interval</td>
</tr>
<tr>
<td>4</td>
<td>Promotion</td>
<td>Discounts</td>
<td>Interval</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>Polite officers in serving</td>
<td>Interval</td>
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<tr>
<td></td>
<td>Service</td>
<td>Service completed on time</td>
<td>Interval</td>
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<tr>
<td>6</td>
<td></td>
<td>Services by Management</td>
<td>Interval</td>
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<td></td>
<td></td>
<td>Services by Employees</td>
<td>Interval</td>
</tr>
<tr>
<td>7</td>
<td>Billing</td>
<td>Routine billing is given</td>
<td>Interval</td>
</tr>
</tbody>
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- **Customer Trust**

  | Customer satisfaction | 8 | is according to quality | Interval |
  | Price of goods | (up to date) | Interval |
  | Product Quality | Durable product | Interval |
  | Variasi Product | Various sizes and product type | Interval |
  | Store facilities | Store display and cleanliness | Interval |
  | Integritas | Honesty of Employees | Interval |
  | Consistency | Quality of service always consistent | Interval |
  | Openness | Openness on the condition of goods | Interval |
  | Work ability | Employees work according to standards | Interval |
  | Benevolence | Interested in the welfare of others | Interval |
  | Object | Individual, system and collectivity | Interval |
  | Mechanism | Reputation | Interval |

- **Company Image**

  | Company stability | Stable in the presence of the industry | Interval |
  | Corporate responsibility | towards the environment around the factory | Interval |
  | Product brand | the brand is well known | Interval |
  | Company performance | The company developed forward | Interval |
  |                   | Loyal employees | Interval |

**Source:** Researcher’s Data (2019).

4. **RESULTS OF STUDY**

4.1. **Research's Findings**

Respondent data show that buyers of handicraft goods are scattered across various regions. The majority of buyers come from Central Java Province (71.4%) and the fewest are from outside Java Island (6.05%). This shows that there are indeed more buyers from the area around these handicraft and pottery producers. There are buyers from outside of Java who come directly to this area to support entrepreneurs or sellers who have employees with disabilities and some of them came to the location of the research industry, but many also came to various other locations in Yogyakarta.

Respondent data based on age shows that buyers of goods are adults of all ages. The age of the most consumers is around 43-56 which is 44.50% and the least are 67 years and above which comprise 4.70% of the data. This shows that the products attract adult buyers, especially adults who are very mature, because they buy these handicrafts and pottery for business, although the business is not seriously run, for example: ‘arisan’(a regular social gathering where a kind of lottery is conducted and members take turns to win an amount of money previously deposited by all members) mothers who buy these products to be sold at an ‘arisan’ gathering.

Crafts are dominated by fabrics such as batik, tablecloths and others. The fabric fans usually come to markets that specialize in selling fabrics. In the case of earthenware products, these products are much more expensive. More buyers are interested in small or medium-sized earthenware vessels because they can be resold, whereas large pottery is generally only used for personal use. Likewise, handicraft products made from stones/gemstones, mostly will be used for personal needs or personal accessories.
Respondent data show that buyers of handicraft items and pottery are mostly female buyers which comprise 67.04% of the sample. Male buyers are 32.06%. Crafts attract more women than men. More female buyers are accompanied by their husbands or colleagues and some of them are shopping for the favors for their husbands or family. The male sample tends to be those consumers who come from other region. They buy goods that can be resold and they do not buy souvenirs for their own collections.

4.2. Structural Model

Source: Researcher's Data

4.3. Causal Analysis Results

1) Marketing Mix has a Positive Effect on Customer Satisfaction.

Product quality is a characteristic of the product in its ability to meet predetermined and latent needs. According to Grootros et al. (2007), there are 8 dimensions of product quality, i.e. 1) Performance, 2) Features, 3) Conformance, 4) Durability, 5) Serviceability, 6) Aesthetics, 7) Perceived Quality and 8) Reliability. Reliability is related to the possibility that a product will work satisfactorily at certain times and conditions; and according to Justin Beneke, Claire Hayworth, Robyn Hobson (2012), physical aspects, reliability, personal interaction, problem solving affect customer satisfaction. This research supports the analysis results of Groonros et al. (2007) and Justin Beneke, Claire Hayworth, Robyn Hobson (2012) that the marketing mix has a positive effect on consumer satisfaction in companies that employ people with disabilities, so that they can produce handicrafts and pottery with sufficiently reliable product quality to satisfy consumers.

Thus the company has been able to implement a marketing mix strategy supported by products produced by people with disabilities. Their products are reliable enough so that their reliability provides a sense of satisfaction and causes customer satisfaction. It also proves that the support of the Yogyakarta Regional Government to their people with disabilities is successful.

2) Marketing Mix does not affect Consumer Trust.

In line with previous research which found that marketing mix had no effect on consumer trust, i.e. research of Periera and Damacona, et.al (2007) which was the same as the results of this study that marketing mix did not significantly influence trust directly. The results show the direct effect of marketing mix strategy on consumer trust is 0.29 smaller than the indirect effect of marketing mix strategy on customer satisfaction, which shows a coefficient score of 0.31.

Therefore, the customer satisfaction variable is an intervening variable which means that consumer satisfaction will increase trust especially if unexpected satisfaction is reached, for example, if consumers get a pleasant surprise by getting a small gift made in Yogyakarta, of course this will be recorded in the minds of consumers. In line with Mowen's (2011) research, attribute-benefit-beliefs are consumers' perceptions of how far certain attributes produce or provide certain benefits to them.

Conceptually, consumers trust emerges from their satisfaction and fulfilled expectations. However, consumer expectations are not static because expectations are always dynamic. When an expectation
is fulfilled, that expectation will go to a higher level to avoid boredom. These higher expectations must be anticipated by producers and producers must be able to produce better quality products. If product quality remains static, disillusionment will emerge.

In the authors’ opinion, it is very logical if the marketing mix hardly affects the level of consumer trust, because consumer expectations always dynamically move to a higher level, while product quality is relatively static. This opinion is supported by Nuseir and Madanat et al. (2015). According to them, there is a significant connection between independent variables and dependent variables. If consumer satisfaction is not fulfilled, the consumer cannot trust the products nor the producers.

3) **Marketing Mix has a Positive Effect on Company Image.**

According to LeBlanc and Nguyen et al. (1996) the emotional component is related to psychological dimensions that manifest in feelings and attitudes towards a company. The emotional component is one component of the image. In the case of functional components, the company’s image is determined by various sources that can create that image, which can be controlled by the company. The company image controllers consist of corporate ethics and culture, employee ethics, business ethics, product ethics, communication, sales team, supplier prices, services, and distribution channels. The company tries to plant an image in the consumer’s mind according to consumers’ perception so that the company can control the company's image by paying attention to company ethics and culture, employee ethics and business ethics that are packaged in the marketing mix to create the desired company image.

Hui-Chu Chen, Robert D. Green (2009) linked several associations between genders, marketing mix, distribution intensity, price offerings, advertising and customer-based brand equity (brand loyalty, brand awareness, perception, quality and brand associations). Having the same perception of the marketing mix and for customer-based brand equity between male and female buyers is a significant contributing factor to the market share of the marketing mix to the company's image. The company has successfully implemented a marketing mix strategy with the support of corporate image control in a marketing mix that is quite reliable by employing people with disabilities. This support is very important in the effort to convince the implementation of marketing strategies for companies that produce handicrafts and pottery in Sewon, Bantul, Yogyakarta. This aspect becomes the concern of the Yogyakarta Regional Government in an effort to empower persons with disabilities.

4) **Consumer Satisfaction Does not Affect Consumer Trust.**

This study shows that consumer satisfaction does not affect customer trust. According to (Umar, 2005: 65) consumer satisfaction is the level of consumer feelings after comparing between what is expected with what is received. If the consumer is satisfied with the value given by the product / service, consumer will be loyal for a long time, which means that the consumer trusts the offered product. Consumer trust is information collected by consumers and conclusions that consumers make about products / services and their benefits to consumers. Trust is generally seen as a basic element for successful relationships. Without trust, a relationship will not last long. Previous research also supports that there is a relationship of satisfaction with trust, as argued by Sirdesmukh, Singh and Sabol (2002). Previous studies have shown that satisfaction is not significant for consumer trust, such as the study of Mohammad Ziaul Hoq, Muslim Amin Nigar Sultana Rumki, et.al (2011). If company service is static, and if products do not keep up with changing times (not up-to-date), consumer satisfaction will not increase and of course consumer trust will not happen.

5) **Company Image Affects Customer Satisfaction.**

Kotler and Keller (2012) define customer satisfaction as someone's happy or disappointed feelings that arise after comparing the received/perceived product quality with the expected product quality. Satisfaction happens if the product is the same or better than expected. The expected product is formed from various factors such as consumer knowledge about the product. If the company's image is good, then consumer expectations are good and consumers will always come back to buy the products offered.

The research of Majid Esmaeilpour and Sahebeh Barjoei (2016) shows that corporate image has a positive and meaningful impact on brand equity and customer satisfaction, and brand equity has a
significant positive impact on customer satisfaction. This study supports previous research that corporate image influences consumer satisfaction. This proves that the marketing strategy in the image of companies that employ people with disabilities can be accepted by consumers. Consumers have a good image of companies in Sewon, Bantul, Yogyakarta, which means that the empowerment program of persons with disabilities designed by the Yogyakarta Regional Government has been successful.

6) **Company Image Does not Affect Consumer Trust.**

Company image and corporate identity are two different things. The company's identity is what is displayed by the company, while the company's image is the perception or assessment of consumers of the company's identity. The company tries to plant images in the minds of consumers in accordance with consumer perceptions. In reviewing the image, consumers will evaluate the products offered. Consumer emotions towards the products offered are very important. Emotion is related to the psychological dimension that is manifested in the feelings and attitudes of consumers towards the company. Consumer emotions can be influenced by companies with company ethics and culture, employee ethics, communication and services.

According to previous researchers such as Chen and Hsieh et al. (2011), Nuruni, Ika and Kustini (2011), Ali-pour, Aghamohammadi, Ahmadi and Hoseini et.al. (2012), Xinman, Huang and Wonglor et.al. (2013), company image influences consumer trust. However, according to Subhashini Kaul, Arvind Sahay and Abraham Koshy (2007), company image is not significant to consumer trust. Kaul, Sahay and Koshy’s research supports this research that company image has no effect on consumer trust. In the authors’ opinion, company image is the perception that consumers have in their minds, which will change or will remain, depending on many factors, both from the company's internal factors, and from the customer's internal factors.

If the company's internal factors worsen the company's image, the company must change or improve company ethics and culture, employee ethics, communication and service to gain consumer trust. But if the customer's external factors worsen the company's image, then the effort to direct the company's image in the minds of consumers will be more severe because of the influence that this has on the consumers themselves, for example, experiences they had when they shop, social influence, culture, and also influences from family and religion.

5. **Conclusions, Suggestions and Implications of Research**

The company has successfully implemented a marketing strategy and succeeded in increasing customer confidence. Based on the conceptual model of the study, of all the hypotheses of this study, three hypotheses were accepted and three hypotheses were rejected. The implication is for companies that employ people with disabilities in Sewon Village, Bantul Regency, Special Region of Yogyakarta, consumer trust is not because of persons with disabilities, but because of direct and indirect factors of marketing mix. Direct factors of marketing mix have smaller effects than indirect factors. Consumer satisfaction is an intervening variable that must be improved to produce consumer trust. The company's image and customer satisfaction does not affect consumer trust because of many factors outside the company that affect consumer trust such as the influence of their social environment and family, religion, consumer knowledge/experiences and others.

Companies need to conduct periodic evaluations of the duties and responsibilities of employees in serving consumers to match the duties and work capabilities. In addition to services, companies must review the entire marketing mix of products consisting of quality, design, packaging and product quantity to avoid overstock.

Promotions that is useful for informing products and persuading consumers to make purchases need to be adjusted. The prices of goods at the time of promotion are adjusted to consumers' perception of the product. In the case of distribution or supply of goods in stores, the shop owners must avoid overstock. Although the tasks are very difficult, these tasks must be planned and done carefully to motivate entrepreneurs in Sewon Village to work more optimally so that they can get maximum results. Do not hesitate to use the internet, social media as an effort to advance the company.
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