

# Mutual Business Relationship Development Efforts

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## ABSTRACT

Maintaining the relationship between the company and customers and partners (suppliers) is an important thing that must be done in developing and maintaining long-term relationships to create a sustainable competitive advantage. Lack of knowledge about banking transactions of business actors in traditional markets and the benefits of digital platform-based financial causes some traders to still use the services of loan sharks in obtaining loans (capital). This research aims to determine the impact and efforts of mutual business relationship development at Pasar Sehat Genteng in collaboration with the Bank BJB Garut branch in providing banking digital literacy assistance. This research used a qualitative approach with descriptive methods. Pasar Sehat Genteng collaborates with Bank BJB Garut branch to provide banking and digital financial transaction platform facilities as a new model option in traditional markets in facing the digital era, and also as a means of direct banking financial literacy education for both traders and the public in implementing financial technology in traditional markets such as paying levies through the BJB Digi application and QRIS, as well as doing a transaction with buyers. The implementation of financial technology literacy provides many benefits for all parties at the traditional market such as reducing the risk of counterfeit money, reducing the supply made by loan sharks to traders, the financial records up-to-date and accountable anytime, and minimizing the spread of the covid-19 virus through transactions at traditional markets.

**Keywords:** *Business-to-Business (B2B), Mutual Business Relationship, Financial Technology, Traditional Market.*

## 1. INTRODUCTION

New payment alternatives in form of non-cash transactions as well as digital transformation require the actors of business to collaborate on technology in their efforts to maintain business competition. In designing a business strategy, companies need to design relationship marketing strategic thinking that comes from the customer mindset to the business mindset, to create an effective and efficient business. Maintaining the relationship between the company and customers and partners (suppliers) is an important thing that must be done in developing and maintaining long-term relationships to create a sustainable competitive advantage.

The development of the industrial revolution era 4.0 raises three main challenges for MSMEs. First, the application of digital technology where MSMEs are now required to be technology literate if they want to compete in the business and industrial world. Second, the

collaboration between the government and the business world in assisting MSMEs to access a wider market. The third is capital. Until now, there are still many MSME players who have difficulty developing their business because they do not get loans from banks [1].

The main problems in the development of MSMEs are in terms of capital and marketing [2]. The presence of financial technology (fintech) can be one of the solutions to solve problems that are happening in the community, especially for people who live far from the city center and for people who are classified as unbanked [3].

The growth of the financial technology (fintech) industry in Indonesia is considered capable of opening access to capital while at the same time encouraging the development of the small, medium, and micro-business sectors (MSMEs). With the many benefits from the presence of fintech, it is necessary to have an understanding of the community, especially MSME players, of financial and digital literacy, so education for MSME players is very important [4].

Pasar Sehat Genteng is a private traditional market that is managed and initiated by the Yasebha Foundation. Pasar Sehat Genteng is different from other traditional markets, where the management of Pasar Sehat Genteng implements a stall or store by a rental system that is extended every year, and the rental price reaches the middle to lower class so that it provides an opportunity for people who want to do business in Pasar Sehat Genteng. The problems being faced by Pasar Sehat Genteng, which is located in Cilawu District, Garut are:

1. Challenges of digital platform-based economic development and competition.
2. The capital of some traders is still small, and some of them are still tempted to use services (loan sharks).
3. The amount of counterfeit money that is still valid in traditional markets.
4. There was an error in data input in financial management because it still used manual and non-real-time patterns.

The very rapid development of technology requires Pasar Sehat Genteng to collaborate with the Garut branch of Bank BJB to maintain and collaborate on their respective business strategies in implementing financial technology in traditional markets.

Based on the above phenomena, this research was conducted in the form of analysis of mutual business relationship development efforts carried out by the Pasar Sehat Genteng with bank BJB to describe the benefits (impact) obtained in the implementation of fintech by Pasar Sehat Genteng and Bank BJB Garut branch.

### 1.1. Theory

The business market consists of all the organizations that acquire goods and services used in the production of other products or services that are sold, rented, or supplied to others [5]. The business market has been defined to include organizations that buy products and services for use in the production of other products and services that are sold, rented, or supplied to others [6]. Business-to-business (B2B) marketing refers to the process of buying and selling goods or services to be used in the production of other goods and services, for consumption by the buying organization and/or resale by wholesalers and retailers [7].

#### 1.1.1 Business to Business (B2B) has the following characteristics:

1. Multiple decision-makers.

The B2B purchasing decision process involves many people and the application requires a different role from

each individual involved in the purchasing decision process with high complexity.

2. Longer decision cycle

B2B decision-making circles have a very long time compared to B2C, so the time between signing the contract and payment and delivery of goods takes a long time.

3. Customer-specific discounts

B2B has a very complex variety of prices, discounts and product availability compared to B2C. Discounts will not be the same between business customers, discounts are given depending on the number of items purchased.

4. Conflict with direct sales channels

Many B2B companies have excellent sales teams, but they are unhappy with the online sales model because it reduces their bonuses and revenue.

5. International markets

B2B e-commerce is used as a method to overcome regional and state barriers to go global, but legal aspects, culture, and norms that apply in a country need to be an important concern.

#### 1.1.2 Business suppliers and customers are exploring different ways to manage their relationships.

One key aspect of strong customer relationships between businesses is the concept of vertical coordination. Building trust is a prerequisite to enjoying healthy long-term relationships. Several forces influence the development of a relationship between business partners, including the availability of alternatives, importance of supply, complexity of supply, and supply market dynamism. Based on these buyer-supplier relationships can be categorized into eight categories [5].

1. Basic buying and selling—Simple, routine exchanges with moderate levels of cooperation and information exchange.
2. Barebones—These relationships require more adaptation by the seller and less cooperation and information exchange.
3. Contractual transaction—Defined by contract, these generally have low levels of trust, cooperation, and interaction.
4. Customer supply—In this traditional supply situation, competition rather than cooperation is the dominant form of governance.
5. Cooperative systems—Participants are united in operational ways, but neither demonstrates structural commitment through legal means or adaptation.

6. Collaborative—Much trust and commitment through collaboration can lead to true partnership.

7. Mutually adaptive—Buyers and sellers make many relationship-specific adaptations, but without necessarily achieving strong trust or cooperation.

8. Customer is king—In this close, cooperative relationship, the seller adapts to meet the customer's needs without expecting much adaptation or change in exchange.

### *1.1.3 There are 7 issues of the form of relationship between B2B Buyers and Sellers [6]:*

#### 1) Trust vs Formality,

Trust plays an important role for Business to Business (B2B) because this trust greatly determines the sustainability of the relationship between buyer and seller. Buyer and seller relationships are strictly limited by contractual agreements. This is due to differences in the forms of agreement, culture, and geographical location in the global scope, which affect the role and trust in business, and agreements are made based on the laws and culture in force in a country. Certainly, aspects of trust and formality must be of particular concern in B2B relationships.

#### 2) Power and dependence

In connection with the power and dependence between the two parties, this results in a poor relationship because one party can regulate (dictate) the other.

#### 3) The complexity of the relationship

The closeness function of this relationship has a tendency where the more the interaction between the buyer and the seller, the more complex the relationship will occur, at the same time, a closer relationship will be established.

#### 4) Supplier relations

It concerns the coordination of suppliers with each other and the relationships that can develop from these companies.

#### 5) Conflict and cooperation

Conflict is inevitable when companies have different goals, backgrounds, and seek to work together. If conflicts are resolved reasonably, cooperation is the result.

#### 6) A longer-term result

The result of long-term conflict relations is an adaptation. As a result of forming relationships, each business person adapts to each other to form better relationships.

7) Relationships can be considered as long-term investments

To produce long-term relationships with other parties, every business actor tries to understand each other to create better cooperation.

## 2. METHODS

This research used a qualitative approach with descriptive methods. Qualitative research methods are research that intends to collect and analyze data in the form of numbers which are generally obtained through structured questions. Where descriptive research has the aim of describing a situation or event and connecting it with a literature review, then data analysis is carried out according to the research method [8].

The population of this study was a mutual business relationship between Pasar Sehat Genteng and Bank BJB, Garut Branch, which is located on Jalan Genteng-Munjul, Kab. Garut. The data were collected through interviews and observations. In this research, in-depth interviews were conducted with the Director of Pasar Sehat Genteng and the field staff of Bank BJB who is in charge of Pasar Sehat Genteng. The analysis was carried out only up to the description stage, namely analyzing and presenting facts systematically so that they were easier to understand and conclude.

## 3. RESULTS AND DISCUSSION

Pasar Sehat Genteng is a private traditional market that is managed and initiated by the Setia Bhakti Genteng Foundation. Pasar Sehat Genteng was founded in June 2010 which is located at Kp. Sindang Sari, Margalaksana Village, Cilawu Garut District. The establishment of Pasar Sehat Genteng began with the high levels of poverty and unemployment in the Cilawu sub-district. It is hoped that the existence of business fields and increased income will help overcome these problems. In addition, Pasar Sehat Genteng has a very strategic location that can serve 14 villages with a potential coverage of agricultural and livestock products.

Starting with the establishment of only 12 stalls in 2010, the enthusiasm of the people who are unable to become entrepreneurs has been very high. This happens because Pasar Sehat Genteng provides an opportunity for people to trade at very affordable costs. Seeing the demand from the enthusiasm of residents who want to be entrepreneurs and the increasing number of consumers, in early 2011 Pasar Sehat Genteng increased the number of stalls and expanded the area of the self-help market. Currently, as of April 2021, Pasar Sehat Genteng is home to 110 traders, 20 shops, 197 stalls, and 60 street stalls.

The mechanism applied by the Pasar Sehat Genteng is by renting a stall, shop, and street vendor every year with a socio-entrepreneur concept. To maintain market sustainability, this mechanism is applied to avoid the sale of shophouses as in other traditional markets, and also

provides opportunities for people, especially those with weak economic conditions, to be able to sell in Pasar Sehat Genteng. If the system used is the buying and selling of stalls, those who will sell in this market are likely people with middle to the upper economic class who can afford to buy stalls. Therefore, with the stall rental system at an affordable price, Pasar Sehat Genteng managers hope that all people have the same opportunity to be able to sell.

### 3.1 The Featured Program of Pasar Sehat Genteng

Socio-Entrepreneur and Friendly Concept for the Middle to Lower Class

The presence of Pasar Sehat Genteng does not monopolize economic activities but embraces those who are in weak economic condition. The presence of Pasar Sehat Genteng opens opportunities for the people of Cilawu District and its surroundings who come from limited economies to become market traders with not too large capital. Pasar Sehat Genteng does not sell stalls, but rents out stalls that are in line with the vision of a Pasar Sehat Genteng to advance economically weak communities. Rental prices for stalls and stalls, which are very affordable and can be paid in installments through daily savings, have attracted the weak economy communities to be able to trade several commodities in this market.

Pasar Sehat Genteng has segmented areas based on products, namely wet products such as vegetables, and dry products such as clothing and groceries. The amount of the rental price in the Pasar Sehat Genteng varies, depending on the location and size of the stall or stall building. Based on an agreement with market residents by 2021, the rental price for the street stalls is around Rp1.850.000 per year, stall rental prices range from Rp2.300.000 up to Rp3.750.000 per year, and for the shop rental prices range from Rp4.000.000 up to Rp6.500.000 per year.

### 3.2 Traditional Markets that are Comfortable, Healthy, and Women Friendly

Pasar Sehat Genteng is very convenient for consumers and traders because of its clean environment. The management related to cleanliness collaborates with traders who are committed to maintaining a healthy image that is carried by this traditional market. In addition, this market is very friendly to women who are the main consumers of this market. Based on surveys conducted in 2012 and 2013 with The Very50 Japan, 92% of market consumers are women aged between 25 - 50 years. Under these conditions, various services on the market make women comfortable. Steps that have been taken include the existence of a special toilet for women as well as various promotional media as well as the theme

of a stall with the theme of feminism. Other programs were also implemented, including road contours and easy access for women, as well as various themes of women's atmosphere that were also presented in this market. These concepts make consumers always choose this traditional market as their means to fulfill their needs and sell their agricultural products.

### 3.3. Independent Waste Management System

Pasar Sehat Genteng not only carries the concept of cleanliness but is also healthy so that in its management it has an independent waste processing with a scheduled processing process accompanied by permanent officers. The following briefly presents a diagram of the independent waste processing system implemented in Pasar Sehat Genteng (Fig. 1):



Figure 1. Waste Processing System in Pasar Sehat Genteng

### 3.4 Improve the welfare of the local community

The existence of the Pasar Sehat Genteng has opened various professions and other economic activities as derivatives of market activities such as porters, motorcycle taxis, parking services, small shops, rented houses, and others that can absorb local workers. This condition has helped improve the welfare of the community, such as the large number of people who can buy motorbikes, reducing dropout rates, increasing local zakat receipts, and other indicators.

### 3.5 Increase in the number of local entrepreneurs

In 2010, when establishing this market, Pasar Sehat Genteng only had 90 stalls and all of them were sold for rent by local people, especially farmers. Currently, in 2021 there are 277 stalls, shops, stalls that have been operating and the demand for stall rental is increasing because many small people are interested in becoming traders in the hope of improving their economic life.

### **3.6 Mutual Business relations efforts in Pasar Sehat Genteng with Bank BJB**

Through the collaboration between the Pasar Sehat Genteng and the Garut Branch of BJB Bank in educating the financial literacy of traders and consumers who are still very low on literacy and banking access, currently, they want to join forces to implement financial digitization, so that breakthrough steps have been launched that are digital disruption and financial inclusion. This step is the application of the QR Code Indonesia Standard (QRIS) and BJB Digi to support transactions at Pasar Sehat Genteng. The application of QRIS which has UNTUNG characteristics (UNiversal, GampanG, Untung & Langsung) is considered very appropriate to be launched at Pasar Sehat Genteng. BJB DIGI with its various features provides convenience, both for traders, market consumers, and market managers to carry out banking activities digitally and make transactions anytime and anywhere.

There are obstacles faced by the Pasar Sehat Genteng in implementing financial technology in collaboration with Bank BJB:

1. There are still many traders who do not understand banking.
2. Pasar Sehat Genteng traders have different age ranges, and many traders still do not have smartphones.
3. Access to bank credit is perceived by traders to be complicated due to many requirements, so there are still many traders who choose loan sharks.

### **3.7 The implementation of financial technology of QRIS and BJB Digi**

In early March 2021, data were collected on Pasar Sehat Genteng traders for making bank BJB accounts with a total of 110 traders and activating the implementation of BJB Digi for traders who have supported technology devices with 25% of 27 traders.

In April 2021, the activation of BJB Digi was continued as much as 50% to merchants who are familiar with e-commerce and carry out digitalization education implementation activities by starting daily fees and savings payments through the QRIS feature within the BJB Digi application. For traders aged 40 years and over, direct assistance is provided by the Mini Bank BJB team and Pasar Sehat Genteng officers.

### **3.8 Mini Bank BJB-Yasebha**

Pasar Sehat Genteng is a non-governmental organization engaged in the community empowerment-based socio-economic development sector that fully supports the Officeless Financial Services for Inclusive Finance || Initiatives in collaboration with bank BJB

presenting the LAKU PANDAI feature of Bank BJB. This is in line with those in the field who are fully aware that there are still many people who do not know how to use or get banking services and other financial services because they live in locations far from bank offices.

Pasar Sehat Genteng established Mini Bank BJB-Yasebha to implement the LAKU PANDAI initiative in the area around Pasar Sehat Genteng. The objectives of disruption in the implementation of LAKU PANDAI are as follows:

- As a means of banking transactions for traders, consumers, and the public;
- Bridging conventional transactions to digital-based transactions;
- Serving cash and non-cash transactions and other banking services;
- Bringing banking closer to society and elements of traders and consumers in traditional markets.

### **3.9 Business Assistance and Banking Access**

As a form of efforts to develop the excellence of Pasar Sehat Genteng management to strengthen capacity and increase the number of local entrepreneurs, Pasar Sehat Genteng management has also collaborated with bank BJB, including business management assistance, banking education programs for traders and consumers as an effort to bridge access to capital and productive credit from banks. This is an adaptation as the result of forming relationships in which each business person adapts to each other to form better relationships. Relationships can be considered as long-term investments, and those who are business actors producing long-term relationships with other parties will try to understand each other to create better cooperation [6].

### **3.10 The impact from the efforts of mutual business relationships in Pasar Sehat Genteng with Bank BJB**

Through the implementation of financial literacy education carried out by Pasar Sehat Genteng in collaboration with Bank BJB, market citizen traders get the following benefits:

- Simplification of buying and selling transactions with buyers and suppliers,
- Security from the spread of counterfeit money and the covid19 virus (without touch),
- Increased awareness in saving and become a means of financial literacy education
- Building a history of banking transactions to access capital from banks

The impact obtained by the management of Pasar Sehat Genteng in implementing financial literacy education with bank BJB are as follows:

- Effectiveness and efficiency in time
  - Before implementing QRIS, it takes 4 hours to collect retribution and savings for market residents by the Pasar Sehat Genteng manager.
  - After being transformed via QRIS, it reduces the time to 2 hours.
- Effective Human Resources
  - Before implementing QRIS, the collection of user fees and savings for market citizens collectively requires as many as 4 people.
  - If it has been transformed through QRIS, it will reduce it to 2 people.
- Reduces the risk of counterfeit money.
- Reducing the supply made by loan sharks to traders.
- Accountable and up-to-date financial records.
- Assistance in the implementation of health protocols, both during the pandemic and post-pandemic times, because it reduces direct contact (touch).
- Providing a digital financial transaction platform as a new model option in traditional markets in facing the digital era.
- Facilities for educating the public to get to know firsthand the world of banking and digital transactions.

The impact obtained in the implementation of financial literacy education regarding QRIS and BJB Digi for Bank BJB Garut Branch are as follows:

- Obtaining overall customer data for Pasar Sehat Genteng traders with the collaboration carried out, and knowing the financial turnover of all Pasar Sehat Genteng activities, both market managers, as well as the savings of Pasar Sehat Genteng traders.
- By knowing the financial turnover of each trader, bank BJB can implement various bank BJB credit products as access to capital for Pasar Sehat Genteng traders.
- Become a means of direct financial literacy education for both traders and the public which leads to the continuity of banking activities to bank BJB at Pasar Sehat Genteng.

The presence of technology financial education provides many benefits for all parties.

#### 4. CONCLUSIONS

This research analyzed the efforts of mutual business relationships at Pasar Sehat Genteng in collaboration with bank BJB to provide banking digital literacy assistance. Currently, all of Pasar Sehat Genteng traders already have BJB bank accounts and most traders have started trying to implement digital banking literacy (fintech) by using fintech applications such as mobile banking (BJB Digi), QRIS, and other banking facilities in implementing levy payment activities, and business savings. However, in the realization of the implementation, there were technical problems faced, such as some traders who do not have smartphones and forgetting their username and password in mobile banking, so they still require intensive assistance from bank BJB and Pasar Sehat Genteng managers in the implementation.

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