# Influence of Marketing Mix, *Supply Chain, Government*Policy on Silk Entrepreneur's Incomeand Marketing Performance at SuteraSuteraAlamBusinessin Sul-Sel

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**Abstract:** This study was conducted with the aim of examining and analyzing the influence of the Marketing Mix, Supply Chain, Government Policy on Silk Businesses' Income and Marketing Performance in Natural Silk Business in South Sulawesi. The approach used in this research is correlative research in which the implementation uses data collection techniques such as documentation, observation, questionnaires and interviews. The population in this study was all 200 natural silk entrepreneurs from three regions, namely: Soppeng, Wajo and Enrekang. Based on the sample determination guidelines, in this study all members of the population were selected as samples, namely 200 natural silk entrepreneurs in the districts of Soppeng, Wajo and Enrekang. The data analysis method used is The Structural Equation Modeling (SEM) of the statistical software package AMOS 4.0 in modeling and hypothesis analysis. The results of this study indicate that (1) The marketing mix has a positive and significant effect on the income of silk entrepreneurs (4) The income of silk entrepreneurs has a positive and significant impact on marketing performance (5) Marketing Mix has a positive and insignificant effect on the income of silk entrepreneurs (4) The income of silk entrepreneurs (7) Government policy has a positive and significant influence on marketing performance (7) Government policy has a positive and significant influence on marketing performance through the income of silk entrepreneurs.

Keywords: Marketing Mix, Supply Chain, Government Policy, The Income of Silk Enterpreneur, Marketing Performance

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# I. Introduction

Globalization and economic integration this century are decisive factors from an international business point of view in all regions of the world. The development of technology followed by an improved system of work specialization, is a condition that allows for an increase in the production of goods and services needed to meet the needs of consumers. Because the provision of goods and services needed can not only be fulfilled by the domestic market, trade between countries occurs very quickly. This makes each company strive to develop and maintain the company's position and market opportunities to better and that it may achieve. Thus each company must develop its marketing activities so that the desired goals or goals can be achieved properly.

Changing global competition patterns requires continuous analysis of all the forces affecting the company. Businesses and marketing strategies also need to be changed to gain opportunities and avoid threats. Buyer dominance, rapid technological change, intense global competition, deregulation and social change pose new challenges and opportunities in conducting business. In these circumstances, analysis of various marketing theories is a necessity in order to achieve high marketing performance. Augusty(2000) said that its marketing theories are marketing management activities in managerial activities directed at planning, analyzing, implementing and controlling all the strategic elements commonly known as marketing mixes to generate business performance such as increasing sales volume and facilitating to develop knowledge that is the basis of competitive excellence.

Indonesia is a tropical forest country that has great potential for the development of agro-industrial sericulture. The development of sericulture as one of the Non-Timber Forest Products is a social forestry activity that aims to improve the community economy, expand employment, empower communities, and improve the welfare of the community through the cultivation of silkworms. The cultivation of silkworms is very closely related and inseparable from the cultivation of mulberry as silkworm feed. In addition to being silkworm feed, mulberry plants have also served as soil protectors from soil erosion and degradation (Sadapotto, et al,2010)

Silk fabric is one of the hallmarks of bugis ethnic local culture. This can be seen through the icon of Wajo Regency, which is an ethnic bugis community area, namely "Sutera City". Silk products are the result of silk yarn processing. To obtain silk thread, it requires a process of cultivating silkworms. Sadapotto (2012)

argues that the cultivation of silkworms was once one of the main livelihoods of the people of Wajo Regency and until now it still exists even though it has begun to diminish, some regions still maintain the livelihood system.

Based on this information, South Sulawesi is one of the producers of sericulture in Indonesia. South Sulawesi sericulture is a potential non-timber forestry resource and a mainstay regional commodity. Soppeng Regency is one of the sericulture development sites in South Sulawesi with other potentials in agriculture, mining, plantation, services, and tourism.

In addition to being known as Bat City, Soppeng is also known as one of the centers of mulberrycultivationas caterpillar feed (Dishut and ISPEI, 2011).Farms in South Sulawesi, especially in Soppeng Regency, still have excellent market opportunities and prospects to develop. Because of the potential and assets of Soppeng that can support the sericulture business. Some of these potentials include biophysical and agroclimate conformity, socio-culturalconformity and local customs, domestic and foreign marketing potential, the possibility of developing silk technology development, and government support and commitment to continueto develop aquaculture. Sericulture farmers have various ways of maintaining silkworms that are influenced byfactors such as tiknowledge they gain from generation to generation or based on habitual factors. These things can affect the cost and income that silk farmers will earn (Kadir, et al, 2008)

According to Zeithaml, et al (2014) The marketing mix is elements of the company's organization that can be controlled by the company inconducting communication with guests and to satisfy guests. While according to Kotler & Armstrong (2014) *Marketing mix is good marketing tool is a set of products, pricing, promotion, distribution, combined to produce the desired* response of the target*market*.

*Supply Chain* is a chain of procurement of goods and services to the end consumers in order to ensure the availability of materials and minimize costs, which is expressed by Tahwin, et al (2016). The supply chain is the defining link to a product's life cycle. The continuity of a business or produk is determined from the supply chain. More specifically, supply chain performance roles include: 1) producing better performance than competitors; 2) be more responsive in meeting the needs and demands of consumers in general or specifically; 3) may reach a certain number of shipments on a certain date the goods are shipped; and 4) can collaborate well with its gold pemasoknya (Mufaqih, et al,2017)..

A policy is a series of actions/activities proposed by a person, group or government in a particular environment where there are obstacles (difficulties) and possibilities (opportunities) in which the policy is proposed to be useful in addressing it to achieve the intended goal (Friedrich, 1963)... Zainal (2012) mentions the policy as "the government's choice to do or not do something (*whatever governments choose to do or not to do*). This definition was created by linking several other definitions of David Easton, Lasswell and Kaplan. Easton (in Zainal, 2012) described government policy as "the allocation of values to society as a whole". This contains connotations about government authority that cover the entire life of society. No other organization has the authority to cover the entire community except the government. Meanwhile, Lasswell and Kaplan (in Zainal, 2012) who saw the policy as a means to achieve the goal, described the policy as "a projected program with respect to goals, values, and practices.

According to Sukirno (2011) in microeconomic theory that income is an acquisition derived from the costs of production factors or productive services. The understanding shows that revenue is all income derived from both the cost of production factors and the total output generated for all production in economy within a certain period of time. Income refers to wage flows, interest payments, stock gains, and other things about value gains over a period of time. The sum of all income is national income (Samuelson & William, 2003).

Marketing performance is a measure of the achievements gained from the overall marketing activity process of an organization (Yudith, 2005). As for marketing performance as mentioned by Augusty (2000) states that marketing performance is a factor that is often used to measure the impact of the strategy applied by the company. Furthermore, Ferdinand also stated that good marketing performance is expressed in three major amounts of value, namelythe value of sales, sales, and market porsi share. According to Mutasowifin (2002) Performance is a common form of stilah used for some or all actions or activities of an organization in a period, in line with references to a number of standards such as past or projected costs, a basis of efficiency, accountability or accountability fmanagementandthe like. According to Mulyadi (2001) Performance is the success of personnel, teams, or organizational units in realizing the strategic goals that have been set before dengan expected behavior.

Improving the company's performance and improving competitiveness can be done through the development of organizational culture focused on understanding market needs, market desires and demand, *namely market oriented*-culture. The same conclusion is also given by Aaker, et al (2001), that market orientation contributes significantly in improving a number of competence companies that can drive high performance in the field of cost and success in providing new services. Achieving good performance is a contribution to the dynamic of the strategy and several success factors, including: commitment, support, strong team management, the ability to develop and maintain business continuity; using the right strategy approach;

able to identify and focus on market *oriented* markets); have vision, lead ability and good relationships with customers or clients.

By doing the right marketing mix will increase consumer satisfaction, the basis that is the benchmark of consumer satisfaction in *a home industry business* can be seen from several factors in *marketingmix* which includes *product, price, promotion* and *place..Marketing mix* can be said as a four-strike action by marketers to offer products to target consumers in a more effective way.

Research conducted by Sumanti, et alpengusaha (2013) found that the mix of marketing of products, prices, promotions distributions had a significant effect on the level of sales of bricklayers.. Research conducted by Amanah (2010) with the title Influence of marketing mix on The Performance of Small and Medium Businesses, the results of his research found that the success of a business is heavily influenced by the marketing mix. Because the marketing mix is a strategy that can create an advantage for the business itself. Therefore, businesses need to always evaluate the marketing mix applied, to get optimal performance, especially looking at the competition of businesses that are very fierce today.. Research conducted by Sitohang (2018) found that the government's coaching policy through training assistance, marketing assistance and business unit structures had a positive and significant impact on business performance.

Nature is a series of agro-industrial activities that start from mulberry planting, nurseries and maintenance of silkworms (*Bombyx mori*. L), thread requesting, fabric awarding, right down to the marketing of silk fabrics. This business is included in the business of household industry that is relatively easy to work with, simple technology, labor intensive, fast yielding and high economic value. Nature tourism is also one of the efforts of land rehabilitation and soil conservation, and is one of the activities that can increase the support capacity and productivity of land, especially on land that has not been optimally utilized.

As a tropical forested country Indonesia has great potential for the development of this natural agroindustry, although in reality it has not been maximally managed into an integrated mass industry from upstream to downstream. In fact, as Susatijo said (2008), this natural tourism activity has a quite strategic role, among others because: 1) can involve labor, including farmers; 2) open business opportunities; 3) provide opportunities to develop the popular economy; 4) increase farmers' income; 5) increase foreign exchange; and 6) open up opportunities in the field of services.

South Sulawesi has been known as one of the centers of nature in Indonesia, although in the last five years has experienced a significant decrease in production (*Antara News*, 21/12/2010). Based on the Decree of the Minister of Forestry No. 664/Kpts- II/2002 dated March 7, 2002, related to the working area of Balai Persuteraan Alam covering Sulawesi and its surroundings, natural production centers in South Sulawesi include Wajo, Soppeng, Enrekang, Tana Toraja, East Luwu, Sidrap, Barru, Gowa and Bulukumba.

However, the fact in the field shows that silk thread production has decreased due to the low production of silkworm seedlings (the result of local seed crossings and japanese seedlings) prepared by the government through the general company Perhutani. This condition resulted in a lack of public interest in the preservation of caterpillars and because of the unclear income earned by silk farmers.

Listening to the issue of natural development in South Sulawesi should look at the series of links in the natural landscape from the upstream business segment to the downstream business segment. Each stage has its own problems as well as technical constraints. Human resources and technology influence each other and at each stage the link involves community groups such as farmers, craftsmen, entrepreneurs. Cumulatively different results appear on the quality of the production of coke, yarn even to the quality of the silk fabric that becomes the end result of the chain of naturaluteraan production process.

The nature of South Sulawesi began around the 1950s. At that time soldiers from Java brought silkworm seedlings to be developed especially in the countryside. The maintenance of silkworms then developed rapidly because in addition to the appropriate agroclinmatsesuai conditions also a supportive culture in terms of traditional clothing that wears silk. Silk thread production peaked in 1971 with the production of 140 tons of silk yarn. Then after that production decreased due to various factors. One of the causes is the explosion of pebrine disease which causes the death of silkworms in maintenance. The government then banned the use of local seedlings and advocated the use of imported bivoltine seeds. The government then held cooperation with Japan (JICA) which then provided grant assistance in the form of technical assistance placed in five districts in South Sulawesi namely Enrekang, Soppeng, Wajo, Sidrap and Gowa

Of the five districts that prominently developed natural silk is Soppeng regency, precisely in Donridonri sub-district. The area was once recorded as the largest silk thread producing area in Indonesia in the 1960s and reached its peak in the 1980s to 1990s with production reaching 140 tons of silk yarn per year by about 400 groups of farmers at the time. This led Soppeng to visit President Suharto twice in 1972 to inaugurate PersuteraanAlam Station which is now the Ta'juncu Natural Silk Center managed by PerumPerhutani.

The development of national natural resources is important because it has a long *backward linkage and forward linkage*, absorbs a lot of educated and undereded energy, generates high added value with a long value chain from upstream to downstream, increases regional revenue and foreign exchange and involves various

relevant agencies, businesses and the wider community (Joint Regulation of the Minister of Forestry, Minister of Industry and Minister of Cooperatives and SMEs, 2006).

# II. Rivew Literature

# Marketing Mix)

Marketing mix has an important role in influencing consumers in order to buy a product or service offered by the company. Elements of the marketing mix consist of all the variables that the company can control such as product, price, distribution, promotion. Understanding the marketing mix according to Buchari (2011) Marketing mix is a strategy to mix marketing activities, in order to be sought the maximum combination so as to bring the most satisfactory results. Menurut Zeithaml, et al (2014) The marketing mix is elements of the company's organization that can be controlled by the company in conducting communicationwithguests and to satisfy guests. While menurut Kotler & Armstrong (2014) Marketing mix is good marketing tool i sa set of products, pricing, promotion, distribution, combined to produce the desired response of the target market. From these three definitions it can be concluded that marketing auran is a good marketing tool that is in a company, where the company is able to control it in order to influence the target market response.

Here is a brief explanation of each element of marketing mix from the definition stipulated by Kumar, et al (2000) among others as follows:

(**Produk**)**Product**.Products according to Philip Kotler are something that can be offered to the market to get attention to buy, for use or consumption that can meet desires and needs.

**Price.**Pricing is one of the important aspects of marketing activities. Price becomes very important to note, considering the price is very decisive in the practice of the company's products and services. Wrong in determining the price will be fatal to the products offered later

*Place* .. What is meant by the location of the marketer is the place where the product is traded. Distribution channels are intermediaries, buyers and sellers that are passed by the transfer of goods both physical and transfer of property from the manufacturer to the hands of consumers.

*Promotion***Promosi**). Promotion is the most powerful means of attracting and intifying and supporting it. One of the purposes of product promotion is to inform all kinds of products offered and try to find new customers/buyers.

(**Orang**)**People.**In relation to service marketing, people who serve as service providers greatly influence the quality of services provided. Decisions in these people mean a lot with respect to selection, training, motivation, and human resource management.

*PhysicalEvidence*. The unreal nature of the service can only be assessed after consumption will increase the risk of consumer purchase decision-making. Thus the critical challenges in service marketing make services more tangible by managing physical evidence.

(**Proses**)**Process.**The process is a combination of all activities, generally consisting of procedures, work schedules, mechanisms, activities, and routine things in which services are produced and delivered to consumers.

#### SupplyChainRantai)

The supply chain is part of a marketing channel that shows the relationship between marketing agencies coordinated by a single agency. According to Baatz (1995), the supply chain is the whole process, ranging from the production of raw materials to the products that are expired. Thus, the supply chain is also part of the marketing channel. Parties involved in the supply chain are not only manufacturers and suppliers, but also transportation and warehousing actors, retailers, even end consumers (Chopra & Meindl, 2006)..On the other hand, Beamon (1999) states the supply chain is a product supply facility between suppliers and customers.

Improving supply chain performance can be through supply chain integration, namely planning together, reducing booking *costs by outsourcing semi-finished* raw materials, reducing cycle times and inventory levels (Mittal, 2007), as well asreducing business uncertainty (Janvier, 2012). A good supply chain will provide better product results and increase the added value of the product. Sejalan with research James & Mathew (2012), in principle the supply chain has a role to add value to the product. The addition of value to the supply chain can be done in the quality aspect and acceleration of the decision-making process in delivering the product at a low cost. According to Narakusuma, et al (2013) the calculation of added value can be done in two ways, namely calculating it during the processing process or in the marketing process.

#### **Government Policy**

A policy is a series of actions/activities proposed by a person, group or government in a particular environment where there are obstacles (difficulties) and possibilities (opportunities) in which the policy is proposed to be useful in addressing it to achieve the intended goal (Friedrich, 1963).. According to Ealau and

Prewit (in Edi 2005) the policy is a prevailing statute characterized by conduct that is coherent and repetitive, both from those who make it and who obeyit.. While Titmuss (in Edi 2005) defines policy as the principles governing actions directed to certain juan goals.juan tertentu Titmuss's policy is *always problem-oriented* and *action-oriented*. It can thus be stated that policy is a provision that contains principles to direct planned and consistent ways of acting in achieving certain objectives.

Based on the explanation of the concept of policy, the policy in this study can be interpreted as a scope of actions / activities of actors and public policymakers who have the intent and purpose to solve various problems and also create opportunities that are established or authorized by the government and implemented either the government itself or other groups to achieve these goals and objectives.

#### Income

Household income determines the level of consumption in a small unit or inthe overall onomy (Sukirno, 2011)..Reksoprayitno defines income as total receipts earned in a given period(MahyuDanil, 2013). Personal income can be defined as any type of income, including income earned without providing any activity. According to Sukirno (2011) in microeconomic theory that income is an acquisition derived from the costs of production factor or productive services. The understanding shows that revenue is all earnings both derived from the cost of production factors and the total output generated for all production in an economy within a certain period of time.

If personal income is deducted by taxes payable by the beneficiaries, the remaining value is called disposabel income (Sukirno, 2011). The flow of money flows from the business world to the public in the form of wages, interest, rent, and profit. All four are forms of income received by members of the public in return for production factors (Rosyidi, 2006). Income refers to wage flows, interest payments, stock gains, and other things about value gains over a period of time. The sum of all income is national income (Samuelson & William, 2003)..

# **Marketing Performance**

Marketing performance is a measure of the achievements gained from the overall marketing activity process of an organization (Yudith, 2005)..As for marketing performance as mentioned by August (2000) states that marketing performance is a factor that is often used to measure the impact of the strategy applied by the company. Furthermore Ferdinand also stated that good marketing performance is expressed in three major amounts of value, namely sales value, sales growth, and market share.

Marketing performance is a measure of achievement gained from the overall marketing process activities of a company or organization. There are three indicators used to measure marketing performance in this study referring to augusty opinion (2000) namely*first*, sales volume, namely the volume or number of sales of products that were successfully achieved by the company.*Second, customer* growth, which is the rate of customer growth achieved by the company.*Third*, the maturity, namely the amount of profit from the sale of products that are successfully obtained by the company.

#### **III. Research Method**

The approach used in this study is a coelative study that explains the effect of the mix of government sedation, culture and policy on income in its implementation using data collection techniques such as documentation, observation, questionnaires *and interviews*. The type of data used in this study is primary data obtained from the field orresearch site, through interviews and questionnaires given directly to respondents. Secondary data is obtained from the internet, journals, library books and documentation that provides research variable information. The population in this study is all natural silkpengus that number 200 people from three regions, namely: Soppeng, Wajo and Enrekang.

Some of the general guidelines that can be used by researchers to determine the size of sampel research are: 1) Ukuran samples larger than 30 and less than 500 are adequate for most studies,2) In multivariate research, the size of the sample is determined as much as 25 times the independent variable, independen3) In chi-square testing sem models that are sensitive to the number of samples, it takes a good number of samples ranging from 100-200 samples (Augusty, 2000)..Therefore, based on the guidelines for determining the sample above, in this study all members of the population were selected into a sample, namely a number of 200 natural silk entrepreneurs inSoppeng, Wajo and Enrekang districts.

| №   | Tunog of Work                              |         |      | A 4      |        |
|-----|--|---------|------|----------|--------|
| JN≌ | Types of Work                              | Soppeng | Wajo | Enrekang | Amount |
| 1   | Mulberry Cultivation                       | 15      | 12   | 3        | 30     |
| 2   | Silkworm Nursery Until Coke<br>Production  | 35      | 30   | 12       | 77     |
| 3   | Production of Silk Yarn into Silk<br>Cloth | 28      | 25   | 8        | 61     |
| 4   | Silk Fabric Marketing                      | 18      | 12   | 2        | 32     |
|     | Amount                                     | 96      | 79   | 25       | 200    |

 
 Table 1.Number of samples of silk thread farmers/entrepreneurs in Soppeng, Wajo and Enrekang areas

Data analysis using analisisnalysisdeskriptif and Impartial**analysis**.Descriptive analisiss are analyses that direct or explain how respondentsadap responded to the variable indicators dithat were asked in the questionnaire. The response or response of the reponden is analyzed/described in an explanation by referring to the supporting theories and the study results as reinforcement.Impartial analysis is one of sem's impartial analysis models (Structural Equation Modeling Analysis), namely: Data analysis and interpretation for research aimed at answering questions in order to capture certain social phenomena. Data analysis is the process of simplification of data into a form that is easier to read and implement. The selected method for analyzing the data must match the research patterns and variables to be examined. To analyze the data used The Structural Equation Modeling (SEM) of the AMOS 4.0 statistical software package in the model and hypothesis assessment.

#### **IV. Results And Analysis**

#### **Research Results Descriptive Respondents**

The respondents in this study were 180 silk entrepreneurs and farmers. In this study exogenous variables namely Marketing Mix (X1), *Supply Chain (X2)* Government policy (X3) one intervening variable namely Entrepreneur Income (Y1) and endogenous variable namely Marketing Performance (Y2). In addition to the collection of research data through questionnaires also carried out secondary research in the hope of matching whether the data collected through the questionnaire corresponds to the state of the data that is serious. This secondary data is also expected to strengthen the analysis and discussion of this research, so that the conclusions of this research can be generalized in its entirety for the management of Natural Silk Entrepreneurs in South Sulawesi. To strengthen the correctness of the answers from the questionnaire and deepen the analysis, this study also conducted free interviews (Sugiono, 2012) using the format of the research questionnaire. Interview using questionnaire format.. So that the respondents interviewed provide information according to the serious circumstances that have been contained in the research questionnaire. Thus, the questions published through the questionnaire obtain a qualitative and quantitative picture that the data obtained is in accordance with the objective conditions in the field.

# **Description of Variable Research**

# Marketing Mix (X1)

The variable marketing mix is measured pelayanan by seven indicators namely: fabric products, harga products, product promotion, location of sutraentrepreneurs, silk entrepreneur services, hasil silk products, qualityproducts /government policies.. produk

|            |   |     |   | I   | Responden | t's response | score |      |    |      |      |
|------------|---|-----|---|-----|-----------|--------------|-------|------|----|------|------|
| Indicators | 1 |     | 2 |     |           | 3            |       | 4    |    | 5    |      |
|            | F | %   | F | %   | F         | %            | F     | %    | F  | %    |      |
| X1.1       | 0 | 0   | 1 | 0.6 | 9         | 5.0          | 88    | 48.9 | 82 | 45.6 | 4.39 |
| X1.2       | 1 | 0.6 | 4 | 2.2 | 23        | 12.8         | 104   | 57.8 | 48 | 26.7 | 4.07 |
| X1.3       | 0 | 0   | 4 | 2.2 | 29        | 16.1         | 116   | 64.4 | 31 | 17.2 | 3.96 |
| X1.4       | 0 | 0   | 4 | 2.2 | 24        | 13.3         | 57    | 31.7 | 95 | 52.8 | 4.35 |
| X1.5       | 0 | 0   | 5 | 2.8 | 24        | 13.3         | 93    | 51.7 | 58 | 32.2 | 4.13 |
| X1.6       | 0 | 0   | 3 | 1.7 | 32        | 17.8         | 111   | 61.7 | 34 | 18.9 | 3.79 |
| X1.7       | 0 | 0   | 1 | 0.6 | 13        | 7.2          | 98    | 54.4 | 68 | 37.8 | 3.29 |

**Table 2.**Response frequency of marketing mix variable respondents (X1)

Source : Primary data processed, 2020

Table 2, it can be known that the perception of the marketing mix variable can be interpreted as that the respondent gives a fairly agreeable value, this isseen from the average value of 3.99. This gives an idea that respondents understood the silk products intended in this study.

# Supply Chain. (X2)

Variable *Supply Chain* is measured by five indicators namely: Standard delivery, on-time orders, joint commitment with suppliers and customers, future market desires, distribution and production process.

| Respondent's Answer Score |   |     |   |        |                    |            |     |      |    |      |      |
|---------------------------|---|-----|---|--------|--------------------|------------|-----|------|----|------|------|
| Indicators                | 1 |     | 2 |        | 3                  |            |     | 4    |    | 5    | Mean |
|                           | F | %   | F | %      | F                  | %          | F   | %    | F  | %    |      |
| X2.1                      | 0 | 0   | 2 | 1.1    | 14                 | 7.8        | 118 | 65.6 | 46 | 25.6 | 4.15 |
| X2.2                      | 0 | -   | 4 | 2.2    | 21                 | 11.7       | 131 | 72.8 | 24 | 13.3 | 3.97 |
| X2.3                      | 1 | 0.6 | 4 | 2.2    | 37                 | 20.6       | 76  | 42.2 | 62 | 34.4 | 4.07 |
| X2.4                      | 0 | 0   | 3 | 1.7    | 24                 | 13.3       | 83  | 46.1 | 70 | 38.9 | 4.22 |
| X2.5                      | 0 | 0   | 5 | 2.8    | 22                 | 12.2       | 123 | 68.3 | 30 | 16.7 | 3.98 |
|                           |   |     |   | Mean V | /ariable <i>Su</i> | pply Chain |     |      |    |      | 4.07 |

Source : Primary data processed (2020)

Table 3, it can be noted that the perception of supply *chain* variables can be interpreted as that respondents give an agreed value, this is seen from an average value of 4.07. This gives an idea that respondents understand the supply chainintended in this study..

# **Government policy (X3)**

The policy variables are measured by four indicators: business license, capital assistance, training and active guidance.

| Respondent's Answer Score |   |     |   |     |           |             |      |      |    |      |      |
|---------------------------|---|-----|---|-----|-----------|-------------|------|------|----|------|------|
| Indicators                | 1 |     | 2 |     |           | 3           |      | 4    |    | 5    |      |
|                           | F | %   | F | %   | F         | %           | F    | %    | F  | %    |      |
| X3.1                      | 0 | 0   | 3 | 1.7 | 14        | 7.8         | 84   | 46.7 | 79 | 43.9 | 4.32 |
| X3.2                      | 0 | 0   | 7 | 3.9 | 20        | 11.1        | 64   | 35.6 | 89 | 49.4 | 4.30 |
| X3.3                      | 1 | 0.6 | 4 | 2.2 | 24        | 13.3        | 60   | 33.3 | 91 | 50.6 | 4.31 |
| X3.4                      | 1 | 0.6 | 4 | 2.2 | 25        | 13.9        | 91   | 50.6 | 59 | 32.8 | 4.12 |
|                           |   |     |   | N   | lean Prod | luct Varial | oles |      |    |      | 4.26 |

Source : primary data processed (2020)

Table 4, it can be noted that the perception of government policy variables can be interpreted as that respondents agree, this is seen from an average value of 4.26. This gives an idea that respondents understand the intended policy of the study.

#### Silk Entrepreneur Income (Y1)

The variable income of silk entrepreneurs is measured by five indicators namely: Sales revenue, Increase in sales, Product quality, Government assistance, Diversity of silk products..

Table 5. Frequency/Percentage Table of Promoted Variable Indicators

|            | <b>Respondent's Answer Score</b> |   |   |     |          |            |      |       |    |      |      |
|------------|----------------------------------|---|---|-----|----------|------------|------|-------|----|------|------|
| Indicators | 1                                |   | 2 |     | 3        |            |      | 4     |    | 5    |      |
|            | F                                | % | F | %   | F        | %          | F    | %     | F  | %    |      |
| Y1.1       | 0                                | 0 | 7 | 3.9 | 16       | 8.9        | 131  | 72.8  | 26 | 14.4 | 3.97 |
| Y1.2       | 0                                | 0 | 8 | 4.4 | 19       | 10.6       | 130  | 72.21 | 23 | 12.8 | 3.93 |
| Y1.3       | 0                                | 0 | 4 | 2.2 | 33       | 18.3       | 97   | 53.9  | 46 | 25.6 | 4.02 |
| Y1.4       | 0                                | 0 | 4 | 2.2 | 24       | 13.3       | 95   | 52.8  | 57 | 31.7 | 4.13 |
| Y1.5       | 0                                | 0 | 4 | 2.2 | 27       | 15.0       | 112  | 62.2  | 37 | 20.6 | 4.01 |
|            |                                  |   |   | Ν   | Aean Pro | duct Varia | bles |       |    |      | 4.01 |

Source : primary data processed (2020)

Table 5, it can be noted that the perception of promotional variables can mean that respondents give a fairly agreeable rating, this is seen from an average value of 4.01. This gives an idea that respondents understand the income of silk entrepreneurs intended in this study.

# Marketing Performance (Y2)

The marketing performance variable is measured by seven indicators namely: Sales target, sales turnover, silk product development, expanding marketing area, customer growth, profit according to production results and increase in sales volume..

|            |   |   |     | Re        | spondent  | 's Answer | Score      |         |    |      |      |
|------------|---|---|-----|-----------|-----------|-----------|------------|---------|----|------|------|
| Indicators |   | 1 |     | 2         | 2 3       |           | 4          |         | 5  |      | Mean |
|            | F | % | F   | %         | F         | %         | F          | %       | F  | %    |      |
| Y2.1       | 0 | 0 | 3   | 1.7       | 23        | 12.8      | 129        | 71.7    | 25 | 13.9 | 3.97 |
| Y2.2       | 0 | 0 | 8   | 4.4       | 33        | 18.3      | 118        | 65.6    | 21 | 11.7 | 3.84 |
| Y2.3       | 0 | 0 | 4   | 2.2       | 18        | 10.0      | 138        | 76.7    | 20 | 11.1 | 3.96 |
| Y2.4       | 0 | 0 | 3   | 1.7       | 23        | 12.8      | 104        | 57.8    | 50 | 27.8 | 4.11 |
| Y2.5       | 0 | 0 | 2   | 1.1       | 32        | 17.8      | 87         | 48.3    | 59 | 32.8 | 4.12 |
| Y2.6       | 0 | 0 | 7   | 3.9       | 30        | 16.7      | 97         | 53.9    | 46 | 25.6 | 4.01 |
| Y1.7       | 0 | 0 | 3   | 1.7       | 28        | 15.6      | 125        | 69.4    | 24 | 13.3 | 3.94 |
|            |   |   | Mea | n Marketi | ng Perfor | mance Var | iables Per | masaran |    |      | 3.99 |

 Table 6.Frequency/Percentage Table of Marketing Performance Variable Indicators

Source : primary data processed (2017)

Table 6, it can be noted that the perception of marketing performance variables can be interpreted as that respondents give a fairly agreeable value, this is seen from an average value of 3.99. This gives an idea that respondents understand the intended marketing performance in this study.

# Inference Statistical Analysis with SEM Comfirmatory Factor Analysis Testing

# Table 7.Loading Factor and Critical Ratio Variable Mix Indicator Marketing, Supply Chain, Extortion Policy, Revenue

|                       | Silk Entrepreneu           | r and Marketin     | g Performance.       |             |
|-----------------------|----------------------------|--------------------|----------------------|-------------|
| Indicators            | Loading Factor $(\lambda)$ | Crirical<br>Ratio. | Profitability<br>(p) | Description |
| Marketing mix (X1)    | , <i>c</i>                 |                    | •                    |             |
| X11                   | .613                       |                    |                      | -           |
| X12                   | .654                       | 6.350              | ***                  | Significant |
| X13                   | .537                       | 5.546              | ***                  | Significant |
| X14                   | .624                       | 6.165              | ***                  | Significant |
| X15                   | .668                       | 6.428              | ***                  | Significant |
| X16                   | .273                       | 3.098              | .002                 | Significant |
| X17                   | .340                       | 3.786              | ***                  | Significant |
| Supply Chain (X2)     |                            |                    |                      |             |
| X21                   | 0.638                      | 6.283              | 0.000                | Significant |
| X22                   | 0.646                      | 6.334              | 0.000                | Significant |
| X23                   | 0.584                      | 5.926              | 0.000                | Significant |
| X24                   | 0.613                      | 6.125              | 0.000                | Significant |
| X25                   | 0.636                      | -                  | -                    | -           |
| Government Policy (   | X3)                        |                    |                      |             |
| X31                   | 0.603                      | -                  | -                    | -           |
| X32                   | 0.900                      | 7.213              | 0.000                | Significant |
| X33                   | 0.755                      | 8.265              | 0.000                | Significant |
| X34                   | 0.753                      | 6.492              | 0.000                | Significant |
| Silk Entrepreneur Inc | come (Y1)                  |                    |                      |             |
| Y11                   | 0.799                      | -                  | -                    | -           |
| Y12                   | 0.849                      | 11.875             | 0.000                | Significant |
| Y13                   | 0.460                      | 5.985              | 0.000                | Significant |

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| Y14                   | 0.770  | 10.718 | 0.000 | Significant |
|-----------------------|--------|--------|-------|-------------|
| Y15                   | 0.745  | 10.315 | 0.000 | Significant |
| Marketing Performance | e (Y2) |        |       |             |
| Y21                   | 0.810  |        | -     | -           |
| Y22                   | 0.830  | 11.680 | 0.000 | Significant |
| Y23                   | 0.473  | 6.184  | 0.000 | Significant |
| Y24                   | 0.761  | 10.629 | 0.000 | Significant |
| Y25                   | 0.646  | 8.765  | 0.000 | Significant |
| Y26                   | 0.447  | 5.817  | 0.000 | Significant |
| Y27                   | 0.473  | 6.187  | 0.000 | Significant |

Influence of Marketing Mix, Supply Chain, Government Policy on Silk ..

*Loading factor* is seen based on *Critical Ratio* (CR) which provides an overview to describe each variable indicator construct observed based on the determination of loading *factor* values presented from *the results of standardized regression* with a significant p *value* construct or < 0.05. Table 7 shows positive and significant values for all five variables and each indicator which means that the test results against the marketing mix measurement model (X1), *supply chain* (X2), *government* policy (X3), silk entrepreneur revenue (Y1) and marketing performance (Y2)can explain the significant p value *construct*, so that all indicators can be included in the next test.

Table 8. Data Normality Test Results

# SEM Assumption Test Test data normality

\_

| Variable     | Min   | Max   | skew | C.r.   | kurtosis | C.r.    |
|--------------|-------|-------|------|--------|----------|---------|
| X31          | 1.000 | 5.000 | .074 | .404   | 105      | 288     |
| X32          | 1.000 | 5.000 | 342  | -1.875 | 315      | 862     |
| X33          | 1.000 | 5.000 | 050  | 272    | 566      | -1.551  |
| X34          | 1.000 | 5.000 | 310  | -1.696 | 352      | 965     |
| X21          | 1.000 | 5.000 | .145 | .794   | 767      | -2.102  |
| X22          | 1.000 | 5.000 | .062 | .339   | 752      | -2.059  |
| X24          | 1.000 | 5.000 | 225  | -1.230 | 298      | 817     |
| X25          | 1.000 | 5.000 | .033 | .181   | 727      | -1.990  |
| Y25          | 3.000 | 5.000 | 051  | 281    | -1.120   | -2.068  |
| Y24          | 2.000 | 5.000 | 083  | 457    | -1.543   | -2.2252 |
| Y22          | 1.000 | 5.000 | 295  | -1.617 | 496      | -1.358  |
| Y21          | 1.000 | 5.000 | 182  | 998    | 852      | -2.334  |
| Y15          | 2.000 | 5.000 | 361  | -1.976 | 102      | 279     |
| Y14          | 2.000 | 5.000 | 374  | -2.047 | 524      | -1.436  |
| Y12          | 2.000 | 5.000 | 461  | -2.525 | 085      | 232     |
| Y11          | 2.000 | 5.000 | 022  | 121    | 386      | -1.056  |
| X11          | 2.000 | 5.000 | 274  | -1.499 | 963      | -2.637  |
| X12          | 1.000 | 5.000 | 386  | -2.114 | 116      | 317     |
| X14          | 2.000 | 5.000 | 154  | 844    | 372      | -1.019  |
| X15          | 1.000 | 5.000 | 186  | -1.019 | 856      | -2.344  |
| Multivariate |       |       |      |        | 5.834    | 1.319   |

The normality test was conducted using *a critical ratio* of  $\pm 2.58$  at a significance rate of 0.01 (1%). Based on the normality test results can be found the cr value is between -2.58 to 2.58, so it can be inferred all data is distributed normally.

#### **Evaluation** of Outliers

#### Univariate Outliers

Based on cases or observations that have a z-score of  $\geq$ 3.0 will be categorized *as outliers, and* for large samples above 80 observations, the evaluation guidelines are the threshold value of the z-score that is in the

range of 3 to 4 (Hair *et aL*, 1995 in Ferdinand, 2006). Because in this study can be categorized as research with a large sample of 180 respondents which means well above 80 observations, then ouiiiers occur if,Z-score > 4.0; based on *the descriptive statistics* table (as attached in the evaluation of the *outlier*) that all values that have been standardized in the form of *z*-score have an average equal to zero with a standard deviation of one, as theorized (Ferdinad, 2006).

Based on computational results such as in appendix 6 (*descriptive statistics*), it is known that the data used in this study is free of *univariate outliers*, since no variable has *z-score*> 4.0. It is noticeable that the minimum *limit is z-score* = -4.99574 (**X2.4**) and maximum *z-score* = 2.38039 (**X**<sub>13</sub>)or atau all z-score values < 4.0.

### Multivariate Outliers

The results of the data evaluation *are not outliers* at the *univariate level*, but when the data can be combined it will be *outliers*. Determine whether a case (the answer of a respondent) brings *up a multivariate outlier*, *i.e.* by calculating the limit value based on the *Chi-square value at* a free degree of the number of variables at a significance level of 0.001. Cases *of multivariate outliers* occur, if the value of *mahalanobis distance* is greater than the value of Chi-square count (Ferdinand, 2006).

Based on the calculation results using AMOS as in appendix 7, the value of Chi-square = 117,720 with free degrees = 123 and probability = 0.617. When compared tomahalanobis distance-squared value of at least 30,182 and maximal value of 93,843. It is noticeable that the value of mahalanobis distance is smaller than the value of Chi-square so it can be concluded that there is no indication of the onion of multivariate outliers. Although the analysis found themulitivariate outliers but still not omitted from the analysis because the data describes the true circumstances and there is no specific reason from the respondent's profile that the cause should be excluded.

# Multicoolinerty and Singualarity Evaluation

Based on the way the value is determined in the model, then the test of this first model is grouped into*exogenous variables ( exogenous variables ) Exogenous* variables are variables are variables are determined equations or from established relationship models. Included in the group of exogenous variables are the mix of marketing, supply chain and government policy while those classified as endogenous variables are income pengusaha and marketing performance.

The model is said to be good when the development of hypothetical models is theoretically supported by empirical data. The results *of the Structural Equation Modeling* (SEM) analysis at an early stage canbe seen in Figure 1.



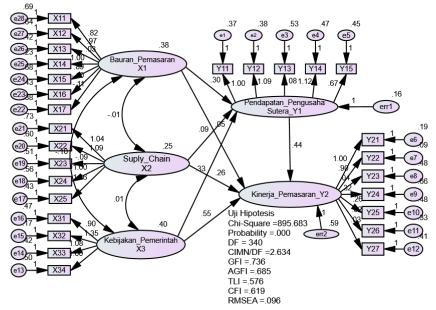


Figure 1. Early Stage Test Results

From the evaluation of the model shows from the eight criteria goodness of fit indices seen chi-square value is still too large and the overall criteria do not match the specified cut off value so it is necessary to modify the model by performing correlation between error indicators according to the instructions of modification indices. The results of the analysis after the final model are obtained asfollows:

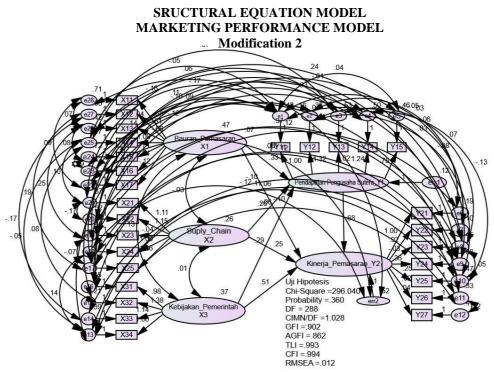


Figure 2. Variable Relationship Model Measurement

The test results of the model presented above are then *evaluated based on the goodness of fit indices in the* following table with the presentation of all model rite riaas well as its critical value that has datacompatibility.

|                                 |                      | unon or goodiness erm           | er ta ej ju intan | ees ever ant me aets         |          |
|---------------------------------|----------------------|---------------------------------|-------------------|------------------------------|----------|
| Goodness of fit index           | Cut-off value        | Early model results             | Ket.              | Final model results          | Ket      |
| X <sup>2</sup> - Chi-<br>Square | Expected to be small | 895,683>(0.05:340)<br>=383,999) | Marginal          | 296,040<0.05:288<br>=328,580 | Good     |
| Probability                     | ≥.05                 | 0.000                           | Marginal          | 0.360                        | Good     |
| CMIN/DF                         | ≤2:00 p.m.           | 2.634                           | Marginal          | 1.028                        | Good     |
| Gfi                             | ≥.99                 | 0.736                           | Marginal          | 0.902                        | Good     |
| AGFI                            | ≥.99                 | 0.685                           | Marginal          | 0.862                        | Marginal |
| TLI                             | ≥.99                 | 0.576                           | Marginal          | 0.993                        | Good     |
| Cfi                             | ≥.99                 | 0.619                           | Marginal          | 0.994                        | Good     |
| .06 MILES<br>AWAY               | ≤ 0. 08              | 0.096                           | Marginal          | 0.012                        | Good     |

Table 9. Evaluation of goodness criteria of fit indices overall models

Source : Data after processing (2020)

According to the results of the evaluation of the model in the early stages seen from the 8 *criteria goodness of fit indice*, there is a fairly fit *or* marginal model between the data and the model. This is evident from the 8 index values, the marginals are chi-square, probability, CMIN/DF, GFI, AGFI, TLI, and CFI. But RMSEA has complied with the standards so it is necessary to modify the model according to the instructions *of modification indices*. *Modification indices* are calculations to make changes to numbers where the number below indicates the size of the minimum chi-square value that will drop if the corresponding variable is linked. After the model, the final stage obtained has shown that the entire *goodness of fit indices* 

*criteria already meet the* criteria or have complied with *the cut-off value criteria*, so that the model can be said to have *complied with the criteria of goodness of fit indices* for further analysis.

|      |                              |                                  | Indirect Betw                    | een Varia   | ables            |                    |                 |                                 |
|------|------------------------------|----------------------------------|----------------------------------|-------------|------------------|--------------------|-----------------|---------------------------------|
|      |                              | Variable                         |                                  | - P-        | Direct           | Indirect           | Total           | Description                     |
| N⁰   | Exogenous                    | Intervening                      | Endogenous                       | Value       | Effect           | Effect             | Effect          | Description                     |
| H-1  | Marketing Mix<br>(X1)        | Entrepreneur's<br>Income<br>(Y1) | -                                | 0.000       | 0.520            | -                  | 0.520           | Positive and Significant        |
| H-2  | Supply Chain<br>(X2)         | Entrepreneur's<br>Income<br>(Y1) | -                                | 0.004       | 0.308            | -                  | 0.308           | Positive and Significant        |
| H-3  | Government<br>Policy<br>(X3) | Entrepreneur's<br>Income<br>(Y1) | -                                | 0.000       | 0.405            | -                  | 0.405           | Positive and Significant        |
| H-4  | Community<br>Income<br>(Y1)  | -                                | Performance<br>Marketing<br>(Y2) | 0.023       | 0.330            | -                  | 0.330           | Positive and Significant        |
| H-5  | Marketing Mix<br>(X1)        | -                                | Performance<br>Marketing<br>(Y2) | 0.504       | 0.079            | -                  | 0.079           | Positive and No.<br>Significant |
| H-6  | Supply Chain<br>(X2)         | -                                | Performance<br>Marketing<br>(Y2) | 0.175       | 0.141            | -                  | 0.141           | Positive and Significant        |
| H-7  | Government<br>Policy<br>(X3) | -                                | Performance<br>Marketing<br>(Y2) | 0.000       | 0.345            | -                  | 0.345           | Positive and Significant        |
|      |                              |                                  | IndirectInfluence                | Between Va  | ariables         |                    |                 |                                 |
|      | Exogenous                    | Variable<br>Intervening          | Endogenous                       | P-<br>Value | Direct<br>Effect | Indirect<br>Effect | Total<br>Effect | Description                     |
| H-8  | Marketing Mix<br>(X1)        | Entrepreneur's<br>Income<br>(Y1) | Performance<br>Marketing<br>(Y2) | 0.002       | 0.520            | 3.030              | 3.550           | Positive and<br>Significant     |
| H-9  | Supply Chain<br>(X2)         | Entrepreneur's<br>Income<br>(Y1) | Performance<br>Marketing<br>(Y2) | 0.002       | 0.308            | 3.154              | 3.462           | Positive and Significant        |
| H-10 | Government<br>Policy<br>(X3) | Entrepreneur's<br>Income<br>(Y1) | Performance<br>Marketing<br>(Y2) | 0.006       | 0.405            | 2.750              | 3.155           | Positive and Significant        |

# Hypothesis Testing

 Table 10. Total Influence, Direct Influence and Influence

 Indirect Between Variables

Source: Data Processing Results 2018 (appendix 4).

Of all the 9 direct line models hypothesized there was one insignificant direct line. Adapun Interpretation of table 10 can be explained as follows:

The marketing mix has a positive and significant influence on the income of silk entrepreneurs with p-value = 0.000 < 0.05 with a coefficient value of 0.520, this coefficient indicates that the influence of a good marketing mix will make the entrepreneur's income better. (Hypothesis 1 Accepted)

Supply Chain has a positive and significant influence on the income of silk entrepreneurs with p-value = 0.005 < 0.05 with a coefficient value of 0.308, this coefficient shows that the influence of a good supply chain will make the entrepreneur's income even better. (Hypothesis 2 Accepted)

**Government policy has a positive and insignificant influence on the income of** silk entrepreneurs with p-value = 0.397 > 0.05 with a coefficient value of 0.405, this coefficient shows that the absence of good government policy, indirectly improves marketing performance. (Hypothesis 3 Accepted)

Silk entrepreneur's income has a positive and significant influence on marketing performance with p-value = 0.000 < 0.05 with a coefficient value of 0.330, this coefficient shows that the influence of good promotion will make customer satisfaction even better. (Hypothesis 4 Accepted)

The Marketing Mix has a positive and insignificant influence on marketing performance with p-value = 0.504 > 0.05 with a coefficient value of 0.079, this coefficient indicates that there is an influence of the marketing mix on poor marketing performance. (Hypothesis 5 Accepted)

Supply Chain has a positive and significant influence on marketing performance with p-value = 0.175 > 0.05 with a coefficient value of 141, this coefficient indicates that the influence of a good supply chain will make marketing performance even better. (Hypothesis 6 Accepted)

**Government policy has a positive and significant influence on marketing** performance with p-value = 0.001 < 0.05 with a coefficient value of 0.345, this coefficient shows that the influence of good government policy will make the target performance even better. (Hypothesis 7 Accepted)

The marketing mix has a positive and significant influence on marketing performance through the income of silk entrepreneurs with p-value = 0.002 < 0.05 with an indereks value of 3,550, this coefficient indicates that there is a good place, increasing customer loyalty. (Hypothesis 8 Accepted)

Supply chain has a positive and significant influence on marketing performance through the income of silk entrepreneurs with p-value = 0.002 < 0.05 with an indirect value of 3,462, this coefficient shows that the influence of a good supply chain will make kineja marketing even better. (Hypothesis 9 Accepted)

Government policy has a positive and significant influence on marketing performance through the income of silk entrepreneurs with p-value = 0.006 < 0.05 with an indirect value of 2,750, this coefficient shows that the influence of a good supply chain will make kineja marketing even better. (Hypothesis 10 Accepted)

# V. Discussion

# The effect of the marketing mix on Sutera Entrepreneur's Income.

The results of the study in table 10, show that the first hypothesis can be observed from the results of sem analysis, from the table shows that the marketing mix has a positive and significant influence on the income of silk entrepreneurs. This shows the better the marketing mix done by silk entrepreneurs in South Sulawesi, themore it increases the income of silk entrepreneurs. Products are a means to achieve the company's goals. Instructions on what actually make up a product can be found in a test of what a customer actually buys.

It issupported by h asilpengecer research Swastha & Soekotjo (2009) products that are a complex trait both can be stoned or unbathable, including packaging, color, price, prestige of the company and retailers, distributors of companies and haan retailers, which are accepted by the buyer to satisfy their desires and needs. PengusahaSuteraAlam has products that are not owned by its competitors. Then it can be concluded that consumers making silk purchases have good quality, design and brand.

This research is in line with research conducted by Sumanti, et al (2013) with the title Of The Influence of Marketing Mix on the income level of brick entrepreneurs in the district of Birreuen, which found that the marketing mix of products, prices, promotions and distributions had a significant effect on the income level of brick entrepreneurs. The quality of the product describes the extent of the product's ability to meet the needs of consumers. Sutera in South Sulawesi has good reliability, cleanness, durability, reliability or progress, strength, ease in packaging and repair of products and other features (Kotler and Amstrong, 2004). Sutera product packaging in South Sulawesi, made of quality and durable silk yarn after weaving and becoming fabric then becomes a sarong or clothes so that customers do not hesitate because it is comfortable to wear.

# The Effect of Supply Chain on Silk Entrepreneur's Income

The results of the study in table 10, show that the second hypothesis can be observed from the results of sem analysis, from the table shows that supply chain has a positive and significant influence on the income of silk entrepreneurs. This shows that the better the supply chain by silk entrepreneurs in South Sulawesi willincrease the income of silk entrepreneurs.

As the result of his research Padmantyo and Saputra (2017), SCM is the management of various activities in order to obtain raw materials, continued transformation activities so that it becomes a product in the process, then becomes the finished product and continues with delivery to consumers through the distribution system. Activities include traditional purchases and other important activities related to suppliers and *distributors*. SCM is widely implemented by large-scale companies that have a large volume of raw material flow, information, and money. A very relevant factor considering the cost that must be incurred to build the system and perform a very large*maintainance* there are three kinds of flows that must be managed in *a supply chain*. First, the flow of goods flowing from upstream to downstream.*downstream* An example is raw materials sent from supplier to factory to be produced into finished products that arethen shipped to distributors, then to retailers or retailers, then to the end user. Second, the flow of money and the like flows from downstream to upstream. Third, the flow of information that can occur from upstream to downstream or vice versa.

This research is in line with penelitian conducted by Sharma, Garg, & Agarwal (2012), TitleQuality management in supply chains: the literature review of quality management in supply chains: literature studies Need to be mentioned here that, in today's competitive world, market dynamics do not allow any deviation in the quality of the final product. Therefore, the importance of quality management is universally supported by researchers and practice managers working in this area.

#### The Influence of Government Policy on Silk Entrepreneur's Income

The results of the study in table 10, show that the third hypothesis can be observed from the results of sem analysis, from the table shows that government policy has a positive and significant influence on the income of silk entrepreneurs. This shows the better the government's policy to support entrepreneurs in South Sulawesi, themore it increases the income of silk entrepreneurs.

This research agrees with Dye's research (dalam Zainal, 2012) mentioning the policy as "the government's choice to do or not do something (*whatever governments choose to do or not to do*). This definition was created by linking several other definitions of David Easton, Lasswell and Kaplan. Easton (dalam Zainal, 2012) described government policy as "the allocation power of values for society as a whole". This contains connotations about government authority that cover the entire life of society. No other organization has the authority to cover the entire community except the government. Meanwhile, Lasswell and Kaplan (dalam Zainal, 2012) who saw the policy as a means to achieve the goal, described the policy as "a projected program with respect to goals, values, and practices.

#### The Effect of Entrepreneur's Income on Marketing Performance.

The results of the study in table 10, show that the fourth hypothesis can be observed from the *results of the Sructural Equation Model* (SEM) analysis, from the table shows that the income of silk entrepreneurs has a positive and significant influence on marketing performance. This shows the better the income of silk entrepreneurs, the better the marketing performance.

In2011, akukanSukirno published a study in the microeconomic theory that income is derived from the costs of production factors or productive services. The understanding shows that revenue is all income derived from both the cost of production factors and the total output generated for all production in an economy within a certain period of time. Income refers to wage flows, interest payments, stock gains, and other things about value gains over a period of time. The sum of all income is national income (Samuelson & William, 2003).

This research was supported by research conducted by Mutiara & NH (2017), with the title: Strategy of agribusiness of Sutera Caterpillar sing kong in Malang Regency. It shows that today, the needs of silk in the world of about 2,000 tons per year are still unmet due to the lack of productivity of silkworms. Indonesia has the potential to develop natural silk, the amount of production is not more than 500 tons per year. Therefore, in order to get maximum production results, it must be supported by a fairly sustainable source of feed.

#### The Effect of The Marketing Mix on Marketing Performance.

The results of the study in table 10, show that the fifth hypothesis can be observed from the *results of the Sructural Equation Model* (SEM) analysis, from the table shows that the marketing mix has a positive and insignificant influence on marketing performance. This shows the better the marketing mix, the better the marketing performance.

This research is supported by Zeithaml research, et al (2014) " The marketing mix is elements of the company's organization that can be controlled by the company in conducting communication with customers and to satisfy customers". While according to Kotler & Armstrong (2014) "Marketing mix is good marketing tool is a set of products, pricing, promotion, distribution, combined to produce the desired response of the target market"

Research that does not support is research conducted by Amanah (2010) with the title Influence of marketing mix on The Performance of Small and Medium Enterprises, the results of his research found that the success of a business is heavily influenced by the marketing mix. Because the marketing mix is a strategy that can create an advantage for the business itself. Therefore, businesses need to always evaluate the marketing mix applied, to get optimal performance, especially looking at the competition of businesses that are very fierce today.

### The Effect of Supply Chain on Marketing Performance.

The results of the study in table 12, show that the fifth hypothesis can be observed from *the results of the Sructural Equation Model* (SEM) analysis, from the table shows that supply *chain* has a positive and significant influence on marketing performance. This shows the better supplychain, the better the marketing performance.

The supply chain is an appropriate strategy to measure marketing performance and provide information to businesses. The supply chain is used to reassure consumers not to turn to other similar companies and also to maintain the company's performance. The supply chain has a huge impact on the company's future marketing performance. The supply chain is an important element in survival. If the company is able to guarantee supply in its products means that the company is able to respond to the environment and is able to develop new capabilities that provide increased marketing performance (Novi Marlena, Tias A. Indarwati, 2019).

Then the research that supports this research is agus research (2015) the main title of this empirical

paper is to examine the importance of combining Supply Chain Management (SCM) in the Malaysian manufacturing industry and investigate its impact on production performance and product quality. Implementation of SCM and performance levels in their manufacturing companies. SCM has a positive and significant effect on production performance. In addition, SCM also has a positive and significant effect on product quality. The results also provide evidence that production performance builds in part on the linkage between SCM and product quality. Among SCM's practices, 'new technologies and innovations' emerge as the most important factors that improve production performance and product quality, and are followed by 'strategic supplier partnerships', 'quality information exchange' and 'lean production'.

# The Effect of Government Policy on Marketing Performance.

The results of the study in table 10, show that the fifth hypothesis can be observed from the *results of the Sructural Equation Model* (SEM) analysis, from the table shows that Government Policy has a positive and significant influence on marketing performance. This shows the better the Government Policy, make the better the marketing performance.

The results of thestudy s ejalan with research conducted by Arwan, Mawardi, & Bafadhal(2018) with the title of the influence of government policy on the level of entrepreneurship in Indonesia, shows the results that the People's Business Credit Program (KUR) has a positive and significant effect on the level of entrepreneurship in Indonesia.

The results of this study are research conducted Sitohang (2018) with the title of research Influence of government coaching policy on the performance and business structure of small industry sub-sectors of regional economic drivers in North Sulawesi Province, finding that the government's coaching policy through training assistance, marketing assistance and business unit structures has a positive and significant effect while government coaching policies through business issuance, capital assistance and order regulations have a negative and significant effect on business performance.

# The Effect of Marketing Mix on Marketing Performance through Sutera Entrepreneur's Income.

The results of the study in table 10, show that the fifth hypothesis can be observed from the *results of the Sructural Equation Model* (SEM) analysis, from the table shows that the marketing mix has a positive and significant influence on marketing performance through the income of silk entrepreneurs. This shows that the revenue of silk entrepreneurs is able to mediate the marketing mix towards marketing performance. The better the entrepreneur's income the better the marketing performance.

This research is supported by Guisi Research (2018) The influence of mixed marketing strategies on marketing performance and competitive advantage in shopping malls in badung and denpasar districts. Based on the results of data collection and processing as well as the hypothetical results of the purposes described above, some conclusions can be drawnas follows: 1) Strategi marketing mix has a positive and significant influence on marketing performance which means better marketing mix strategy thus improving marketing performance in shopping centers inBadung Regency and Denpasar 2) Marketing performance. Thus the increase of competitive shopping centers in Badung regency and Denpasar 3) There is a positive but insignificant influence between the marketing mix strategy towards competitive advantage, this illustrates that the better marketing mix strategy has not been able to make the competitive advantage in the shopping center significantly profitable.

The Effect of Supply Chain on Marketing Performance through Silk Entrepreneur's Income.

The results of the study in table 10, show that the fifth hypothesis can be observed from *the results of the Sructural Equation Model* (SEM) analysis, from the table shows *that supply chain* has a positive and significant influence on marketing performance through the income of silk entrepreneurs. This shows that the revenue of silk entrepreneurs is able to mediate *supply chain* to marketing performance. The better *supply chain* the better the marketing performance.

As the researchwas done dilakukan by Irawan (2008) explained that the supply chain is a management activity in order to obtain raw materials, transform the raw materials into goods in the process and finished goods, and send the product to consumers through thestem distribution.. Rahmasari (2011) shows that the supply chain has a positive and significant effect on the company's performance. The supply chain is an important element in survival. If the company is able to create a strong supply chain it means the industry is able to develop new capabilities that lead to increased marketing performance.

The results of this study are in line with research conducted by James (2012). A good supply chain will provide better product results and increase the added value of the product. in principle the supply chain has a role to add value to the product. The addition of value to the supply chain can be done in the quality aspect and acceleration of the decision-making process in delivering the product at a low cost. According to Narakusuma,, et al (2013), the calculation of added value can be done in two ways, namely counting it during the processing process or in the marketing process.

#### The Effect of Government Policy on Marketing Performance through Silk Entrepreneur's Income

The results of the study in table 10, show that the fifth hypothesis can be observed from the results of *the Sructural Equation Model* (SEM) analysis, from the table shows that government policy has a positive and significant influence on marketing performance through the income of silk entrepreneurs. This shows that the revenue of silk entrepreneurs is able to mediate government policy towards marketing performance. The better government policy the better the marketing performance.

The results of this study were supported by the results of david easton, lasswell and kaplan. Easton (in Zainal, 2012) mentioned government policy as "the allocation power of values for society as a whole". This contains connotations about government authority that cover the entire life of society. No other organization has the authority to cover the entire community except the government. Meanwhile, Lasswell and Kaplan (in Zainal, 2012) who saw the policy as a means to achieve the goal, described the policy as "a projected program with respect to goals, values, and practices.

Pendapatpendapat with Research conducted bySarlina Novi, Dwi Putra Darmawan, Wayan Suarthana, (2015). Under the title Prospect of Sub Terminal Development, showing the results that based on the model of structural regression relationship equations formed between exogenous variables and their respective endogenous variables, it can be known that agribusiness sub terminals have a greater influence on marketing performance and revenue increase when compared to marketing performance to revenue.

#### VI. Conclusions And Suggestions

The results of the study found that the Mix of P emasaran, *Supply Chain*, Government Policy has a positive and significantinfluenceonthe Income of Sutera Entrepreneurs thiscoefficientshows that the influence of marketingmix, *supply chain*, good government policy will make the entrepreneur's income better. The income of silk entrepreneurs has a positive and signifiinfluence on marketing performance. The Marketing Mix has a positive and insignificant influence on marketing performance, this coefficient shows that there is a variable influence of the marketing mix that is less than the marketing performance. *Supply Chain* and Government Policy have a positive and significant influence on marketing performance, this coefficienthwa shows that *the influence of supply chains* and good government policies will make marketing performance even better.P EmasaranMix, *Supply Chain*, Ppolicyemerintah has a positive and significant influence on marketing performance through the income of silk entrepreneurs.

Based on the conclusion of the research, the advice given from this study ishasil findings that show that the mix of *marketing, both from product, price, place, promotion, people, physical evidence and process* in natural silk entrepreneurs in Sul-Sel,still needs to beimproved because with the application of a good marketing mix, effective and efficient, it is expected to improve the marketing performance of natural silk entrepreneurs in Sul-Sel. So it is expected that the silk entrepreneurs in Sul-Sel can make a meaningful contribution to the area, withthe improvement of the performance of natural silkmasaran in Sul-Sel.

The need to create a grand design about the management of natural silk, ranging from upstream to downstream, in order to create the same kerja integrated, antara ministry offorestry, pskl hall, pemprovsul-sel, local government and business people to create mainseat and spirit together in rebuilding silk glory in Sul-Sel. The government from the center of the prov and even in the district made regulations requiring the use of silk not only in government offices, private even in hotels and other public facilities, thus reflecting the icon of silk. Developing natural silk in the field of tourism and education in the form of sutera village development, so as to attract the younger generation to learn as well as potential for tourists both domestic and foreign.

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