ADAPTIVE STRATEGIES OF DAWEA BATIK (BONDOWOSO) IN RESPONSE TO DECLINING INSTITUTIONAL DEMAND AND ITS IMPLICATIONS FOR CONSUMER PURCHASING DECISIONS: A SINGLE-CASE STUDY

Ita Marianingsih
Prodi Ekonomi Syariah, Sekolah Tinggi Agama Islam Al-Utsmani Bondowoso
Email: itamarianingsih9@gmail.com

M. Ilham Zainullah
Prodi Ekonomi Syariah, Sekolah Tinggi Agama Islam Al-Utsmani Bondowoso
Email: ilhamzainullah@gmail.com

Novita Purnamasari
Prodi Ekonomi Syariah, Sekolah Tinggi Agama Islam Al-Utsmani Bondowoso
Email: novitap@gmail.com

Abstract

This study examines how Dawea Batik MSME adapts to declining institutional demand particularly demand related to organizational/uniform procurement and how these adaptive actions relate to consumers' purchasing decisions. Using a qualitative single-case study design, primary data were collected through in-depth interviews with key actors (owner/manager, workers, and consumers) and supported by observation and relevant documents. Data were analyzed thematically through coding, with validity strengthened via source triangulation and member checking. The findings indicate three main adaptive strategies: (1) product innovation and diversification (2) enhancement of digital marketing channels (e.g., Instagram, TikTok, WhatsApp), and (3) strengthening cultural tourism education through live batik workshop programs. These strategies are associated with consumer decision-making across stages of problem recognition, information search, evaluation, purchase, and post-purchase behavior (Kotler, 2009), mainly by increasing consumer engagement, perceived value, and trust. As a single-case study, the findings offer analytic insights for similar creative-industry MSMEs while acknowledging limited statistical generalization.

Keywords: *Adaptive Strategies, Batik MSMEs, Consumer Purchasing Decisions, Cultural Tourism and Digital Marketing.*

Abstrak

Studi ini meneliti bagaimana UMKM Batik Dawea beradaptasi dengan penurunan permintaan institusional, khususnya permintaan terkait pengadaan organisasi/seragam, dan bagaimana tindakan adaptif ini berkaitan dengan keputusan pembelian konsumen. Menggunakan desain studi kasus tunggal kualitatif, data primer dikumpulkan melalui wawancara mendalam dengan aktor kunci (pemilik/manajer, pekerja, dan konsumen) dan didukung oleh observasi dan dokumen yang relevan. Data dianalisis secara tematik melalui pengkodean, dengan validitas

diperkuat melalui triangulasi sumber dan pengecekan anggota. Temuan menunjukkan tiga strategi adaptif utama: (1) inovasi dan diversifikasi produk, (2) peningkatan saluran pemasaran digital (misalnya, Instagram, TikTok, WhatsApp), dan (3) penguatan pendidikan pariwisata budaya melalui program lokakarya batik langsung. Strategi-strategi ini terkait dengan pengambilan keputusan konsumen di berbagai tahapan pengenalan masalah, pencarian informasi, evaluasi, pembelian, dan perilaku pasca-pembelian (Kotler, 2009), terutama dengan meningkatkan keterlibatan konsumen, nilai yang dirasakan, dan kepercayaan. Sebagai studi kasus tunggal, temuan ini menawarkan wawasan analitik untuk UMKM industri kreatif serupa sambil mengakui keterbatasan generalisasi statistik.

Kata kunci: *Strategi Adaptif, UMKM Batik, Keputusan Pembelian Konsumen, Pariwisata Budaya, dan Pemasaran Digital.*

INTRODUCTION

Batik is a cultural heritage of the Indonesian nation that has historical value, and needs to be preserved (Firmansyah, 2018). Batik is a technique of decorating cloth with symbolic motifs using philosophical meanings using canting and wax, batik has been widely known since ancient times. The term "batik" comes from Javanese, namely amba which means "to write" and titik which means "point" (Haryanti et al., 1970). The batik industry has been designated as one of the fourteen national creative industry sectors by the Ministry of Trade. In addition to its economic contribution, batik strengthens Indonesia's social and cultural values, especially because the majority of batik producers are small and medium enterprises (SMEs) spread throughout the region.

Data from the Ministry of Industry and Trade shows that there are around 50,000 batik businesses in Indonesia, which significantly open up employment opportunities for local communities (Syed Shaharuddin et al., 2021). The recognition of batik as a Cultural Heritage by UNESCO on October 2, 2009, also strengthened the position of the batik industry internationally (Steelyana, 2012), and since then it has been celebrated as National Batik Day every October 2 (Ayub Al Ayubi & Komala Sari, 2022).

However, despite this recognition, batik MSMEs face dynamic challenges, particularly in maintaining stable market demand. In recent months, batik businesses, particularly small and medium-sized businesses, have experienced a decline in demand due to changes in government policy, one of which is the elimination of the budget for the procurement of official uniforms in government agencies. Yet, the institutional

segment has long been a primary and stable market for batik producers. This policy has had a direct impact on the sustainability of businesses, including batik MSMEs.

One example of an affected MSME is Sanggar Dawea Batik, a hand-drawn batik business established in 2010 in Pucang Anom Village, Bondowoso, and gaining widespread market acceptance in 2017. Dawea Batik is known for its distinctive designs that combine classic and modern elements, and offers an educational approach (limited education) to consumers, including international tourists from the Netherlands, Australia, and India. The products offered include hand-drawn batik, stamped batik, natural batik, and custom design services. In marketing, Dawea Batik has utilized various social media platforms such as Instagram, Facebook, WhatsApp, and TikTok. However, pressure from declining demand from the institutional market remains a major challenge to its business continuity.

In this situation, understanding consumer behavior is key to designing appropriate adaptive strategies. In theory (Kotler, 2009), purchasing decisions are a psychological process that begins with need recognition and continues through post-purchase behavior. Consumers tend to consider aspects of product quality, price, and image. Meanwhile (Alma Buchari, 2013) states that purchasing decisions are also influenced by external factors such as economic conditions, technology, culture, promotion, location, and service (people, process, physical evidence).

To respond to market dynamics and uncertainty, MSMEs are required to have adaptive strategies that are relevant to changes in the business environment. "According to (Henry Mintzberg, 1994), in his book The Rise and Fall of Strategic Planning, adaptive strategy, or known as emergent strategy, is an approach that allows organizations to adapt to environmental changes dynamically. In the context of batik MSMEs, such as Dawea Batik, the implementation of this strategy is very important to face the challenges of declining demand from the institutional market. In practice, this strategy can include product innovation, updating promotional methods, strengthening brand image, to expanding business networks.

Unfortunately, research specifically addressing the adaptive strategies of batik MSMEs to declining institutional demand is still limited. Most studies focus on the food, beverage, and technology sectors, or the COVID-19 pandemic. Local case studies

like Dawea Batik are rarely the primary focus, despite their importance in illustrating the dynamics of cultural enterprise adaptation at the community level. Therefore, this research makes a significant contribution in filling this gap.

Several previous studies also reinforce the urgency of this research. Findings (Verdiani et al., 2024) In the journal Adaptive Strategy in Business Development: Case Study of Carica Gemilang MSME in Wonosobo, it is shown that adaptive strategies such as improving product quality, promotional innovation, brand strengthening, and developing business networks can maintain the continuity of Carica Gemilang MSME's business amidst market uncertainty. This is relevant for application to Dawea Batik. In addition,

(Handayani, 2020), in his research on The Effect of Human Capital on Batik SMEs Innovation This study shows that innovation orientation, customer orientation, and absorptive capacity have a positive and significant impact on economic sustainability, which in turn impacts environmental sustainability. These results emphasize the importance of adaptive strategies in maintaining the business continuity of batik MSMEs amidst dynamic market competition and pressures.

The importance of this research is that it can provide a deeper understanding of how batik MSMEs, especially Dawea Batik, manage market changes with effective adaptive strategies, and how these strategies can influence consumer purchasing decisions. The findings of this study not only contribute to the sustainability of batik MSMEs but also enrich the literature in the field of strategic management, especially in the creative industry and MSMEs.

The purpose of this study is to provide practical recommendations for other batik MSMEs regarding adaptive strategies that can be implemented in facing market changes, and how these strategies can influence consumer purchasing decisions. This study also aims to encourage innovation in product development, digital marketing, and business models, so that batik MSMEs can increase competitiveness, reach a wider market, and maintain their business sustainability amidst the dynamics of the ever-changing business environment.

Research objectives: (1) to identify and describe Dawea Batik's adaptive strategies in responding to declining institutional demand; (2) to analyze how these strategies relate

to consumer purchasing decisions using established decision-stage indicators. Practical benefits include recommendations for batik MSMEs facing similar market shocks, while the academic contribution lies in linking emergent strategy (Mintzberg's 5Ps) with consumer decision stages in a creative-industry single-case context.

With this background, this study was conducted to answer two main questions, namely: what are the adaptive strategies implemented by Dawea Batik to maintain business continuity amidst the decline in institutional demand and how do these adaptive strategies influence Dawea Batik consumers' purchasing decisions?

RESEARCH METHODS

This study employed a qualitative approach with a single-case study design focusing on Dawea Batik MSME. The case study design was selected to capture in-depth processes of strategy adaptation and consumer response in a real-life context (Ilhami et al., 2024). The research was conducted in Bondowoso Regency, East Java, Indonesia, over a three-month period. Two data sources were used: (1) primary data from interviews and field observation, and (2) secondary data from relevant literature and documents (e.g., promotion materials, sales records if available).

Informants were selected using purposive sampling based on: (a) direct involvement in strategy formulation/implementation (b) length of engagement with the business, and (c) ability to provide information about institutional demand changes and consumer purchasing behavior. A total of 10 informants were interviewed, including the owner/manager, workers/artisans, and consumers. Data collection methods comprised semi-structured interviews (guided by themes of market change, adaptive actions, and purchasing decision stages) and non-participant observation (e.g., production activities, workshop implementation, and digital promotion practices).

Data analysis followed thematic procedures: transcription, initial coding, category development, and theme interpretation aligned with Mintzberg's 5Ps and the five-stage purchasing decision framework. To enhance trustworthiness, this study applied source triangulation (owner–worker–consumer perspectives), member checking of key interpretations with selected informants, and an audit trail of coding decisions. As a

single-case study, the findings provide analytic generalization rather than statistical generalization; therefore, conclusions should be interpreted within the case context.

RESULTS AND DISCUSSION

1. Analytical framework (brief)

This study links adaptive strategy (Mintzberg's 5Ps) with the five-stage purchasing decision process (problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior). The framework is used only as an analytic lens; the discussion below prioritizes interview and observation evidence from Dawea Batik.

Table 1. Mapping Dawea Batik's adaptive strategies to purchasing decision stages

Adaptive strategy (evidence-based themes)	Mintzberg lens (5Ps)	Purchasing decision stage(s) influenced
Product innovation & diversification (e.g., new motifs, apparel, souvenirs, custom orders).	Plan; Position	Problem recognition; Alternative evaluation; Purchase decision
Digital channel enhancement (Instagram/TikTok/WhatsApp; marketplace/catalog; faster response).	Ploy; Pattern	Information search; Alternative evaluation; Purchase decision
Cultural-tourism education (batik workshops; collaborations; visitor experience).	Pattern; Perspective; Position	Problem recognition; Post-purchase behavior (satisfaction, word-of-mouth)

2. Findings: adaptive strategies implemented by Dawea Batik

Based on direct interviews with the owners and managers of Dawea Batik, the decline in demand following the policy of eliminating the uniform budget not only impacted turnover, but also reduced production enthusiasm and disrupted the business's financial stability. However, rather than resigning themselves to the situation, Dawea Batik instead took adaptive steps that are interesting to examine further. These steps did not emerge suddenly, but grew from experience and direct observation of changes in consumer behavior and market needs.

The adaptive strategies implemented by Dawea Batik can be analyzed using Henry Mintzberg's (1994) theory of emergent strategy, which states that strategies don't

always originate from formally designed plans but can emerge from patterns of action that develop over time. Based on interviews, the following are the main strategies implemented:

a. Innovate and Diversify Products

Product diversification is an important strategy in the business world that can help companies remain relevant and competitive (Kristiutami et al., 2021). This strategy involves developing new products or services that are completely different from those already in the company's portfolio. The main goal of product diversification is to reduce risk by not relying solely on a single product or market (Saputra et al., 2021).

One concrete form of diversification implemented by Dawea Batik is the development of various types of batik products, such as casual batik, custom batik, batik sarongs, batik scarves, batik blangkon, and batik shawls. By offering this diverse range of products, Dawea Batik is not only able to meet the diverse needs and preferences of customers but also successfully reach a wider market share. This strategy increases competitiveness while strengthening business sustainability, especially amidst pressures due to declining demand from the institutional market.

Furthermore, this diversification step aligns with Henry Mintzberg's (1994) theory of strategy as a Plan, namely strategy as the result of a systematic process of determining future steps. Product diversification shows that Dawea Batik has carried out strategic planning to face changes in the business environment. In addition, this diversification also reflects the Perspective element, namely how strategy is formed from organizational values and culture. Dawea Batik combines local cultural preservation with modern design innovation, which not only strengthens the brand image but also demonstrates a unique perspective on its social and economic role as a batik MSME in the creative industry.

b. Digital Channel Enhancement:

In the digital age, social media has become a widely used promotional tool due to its practicality and cost-effectiveness. Dawea Batik utilizes platforms like Instagram, TikTok, Facebook, and WhatsApp to promote its business. They not only showcase the batik-making process but also showcase their work visually. This way, consumers can directly experience the quality and uniqueness of the products offered. This type of

promotion creates a closer connection between consumers and the products, while also helping Dawea Batik maintain its presence and reputation amidst market competition.

This move aligns with Mintzberg's *ploy* theory, which views strategy as a quick way to address market pressures and attract consumer interest. Dawea Batik, for example, actively promotes its products through social media and collaborates with local influencers. This is a quick and smart way to introduce its products to a wider audience. Furthermore, they have begun utilizing digital platforms to stay abreast of current consumer trends and habits. This demonstrates that their strategies are based on real-world experiences and real-world situations.

c. Strengthening cultural tourism education

Dawea Batik also strengthens the appeal of its products by holding *live batik workshops* (direct (face-to-face) activities that are educational and interactive. In this program, consumers, both local and international, can be directly involved in the batik process starting from drawing motifs, canting, coloring, locking colors, washing to taking home their work.

This activity not only serves as a medium for cultural education, but also builds consumers' emotional attachment to batik products, which is an added value compared to simply buying finished goods. This strategy reflects the concept of Pattern and Position in Mintzberg's theory. From the Pattern perspective, batik workshops have become a consistent activity pattern carried out by Dawea Batik to create a unique brand experience. Meanwhile, from the Position perspective, this strategy positions Dawea Batik as a batik MSME that prioritizes educational values, cultural preservation, and consumer involvement, differentiating it from other competitors in the batik industry who focus more on commercial aspects alone. Thus, this educational strategy strengthens the positioning of the Dawea Batik brand as a brand that not only sells products, but also cultural values and meaningful experiences.

3. Implications for consumer purchasing decisions

Dawea Batik's adaptive strategy has had a significant impact on consumer purchasing decisions. Product diversification opens access to various consumer segments, from the lower-middle class to premium buyers, allowing them to choose

products tailored to their individual needs and preferences. Custom design services also enhance customer engagement, allowing them to choose motifs, colors, and fabrics, enhancing their sense of satisfaction and ownership of the products.

Utilizing digital channels like Instagram, TikTok, and WhatsApp allows consumers to directly observe the production process, easily obtain product information, and quickly complete transactions. This increases consumer confidence and comfort when making purchases. Furthermore, cultural education through live batik workshops adds experiential value that differentiates Dawea Batik products from competitors. Consumers not only purchase goods but also gain a cultural experience that fosters an emotional connection with the product.

In addition, some consumers learned about Dawea Batik from other people's stories and experiences, both directly and through social media. Information shared by previous consumers through word of mouth communication is an effective source of promotion. This shows the importance of brand image and consumer trust in a product. Word of mouth plays a major role in the consumer decision-making process, especially when they consider purchasing a product based on personal experiences or stories shared by people they trust.

This aligns with Philip Kotler's (2009) theory, which explains that consumer purchasing decisions are a psychological process consisting of five stages: problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. Dawea Batik's adaptive strategies have proven to be effective in each of these stages. During the problem recognition and information search stages, promotions through social media and customer testimonials help consumers recognize their needs and seek references. During the alternative evaluation and purchase decision stages, product diversity and custom services provide added value, making consumers more confident in their choices. Meanwhile, during the post-purchase behavior stage, the experience of participating in a batik workshop leaves a lasting impression and strengthens brand loyalty.

Thus, Dawea Batik's adaptive strategies not only serve as a means of surviving the decline in institutional demand but also contribute to strengthening the brand's

market position. All of these strategies support the sustainable improvement of consumer purchasing decisions, as outlined in Kotler's purchasing decision stages.

CONCLUSION

This study concludes that Dawea Batik responded to declining institutional demand by implementing three interrelated adaptive strategies: product innovation/diversification, strengthening digital marketing channels, and developing cultural-education experiences through live batik workshops. Within the case context, these strategies are linked to consumer purchasing decisions by increasing information accessibility, perceived value, emotional attachment, and trust across the decision stages.

Limitations: this research is based on a single MSME case and primarily relies on qualitative evidence; therefore, the findings should not be generalized statistically. Future studies may compare multiple batik MSMEs across regions and incorporate longitudinal sales/engagement metrics to test the strength of the strategy–purchase relationship. Practical implications: batik MSMEs facing similar shocks may prioritize diversified product offerings, consistent digital storytelling, and experiential cultural programs as complementary pathways to reduce dependence on institutional markets and strengthen consumer loyalty.

REFERENCES

Alma Buchari. (2013). *Marketing Management* . Alfabeta.

Amalia, S., Kholifah, ZL, & Juliani, NS (2024). Analysis of the Batik Learning Process at the Cikadu Tanjunglesung Batik Studio: Cultural and Educational Values. *Journal of Education, Teaching, and Learning* , *1* (2), 184–194. https://doi.org/10.70078/kolektif.v1i2.45

Ayub Al Ayubi, M., & Komala Sari, D. (2022). The Influence of Product Quality, Brand Image, and Promotion on Purchasing Decisions at Al Huda Sidoarjo Hand-Written Batik. *Innovative Technologica: Methodical Research Journal* , *1* (3), 1–18.

Claudia Cahyani Sinaga, & Mariana Simanjuntak. (2024). The Influence of Instagram Social Media Promotion Effectiveness in Increasing Brand Awareness and

Consumer Purchase Intention. *Journal of Innovative Business Leaders* , *1* (3), 35–46. https://doi.org/10.61132/jpbi.v1i3.227

Firmansyah, B. (2018). The Influence of Product Quality and Product Design on Purchasing Decisions for Jetis Sidoarjo Hand-Written Batik. *Journal of Business Education (JPTN)* , *1* (1), 1–9.

Handayani, R. (2020). The Effect of Human Capital on Batik SMEs Innovation: The Mediating Role of Adaptive Creativity. *Binus Business Review* , *11* (2), 105–113. https://doi.org/10.21512/bbr.v11i2.6178

Haryanti, K., Theresia Dwi Hastuti, Lako, A., & Krisprantono. (1970). The Relationship Between Product Quality and Brand Image with Willingness to Buy: A Study on Batik Lasem Consumer. *International Journal of Applied Research in Management and Economics* , *2* (1), 1–11. https://doi.org/10.33422/ijarme.v2i1.206

Henry Mintzberg. (1994). *the rise and fall of strategic planning* . free press.

Huseini, . Jemsly Hutabarat & Martani. (2017). *Strategy* . Prasetiya Mulya Publishing.

Ilhami, MW, Vera Nurfajriani, W., Mahendra, A., Sirodj, RA, & Afgani, W. (2024). Application of Case Study Method in Qualitative Research. *Wahana Pendidikan Scientific Journal* , *10* (9), 462–469.

Kotler, P. (2009). *Marketing Management 13th Edition* . Erlangga Jl. Selmba Raya No. 30.

Kristiutami, Ariesta, & Pirastyo. (2021). Implementation of product diversification as an effort to overcome COVID-19 in Kuswini catering. *Journal of Education and Hospitality* , *o1* .

Masriyadi, Supriyadi, D., & Ilham Maliki, B. (2024). Toward Strategic Management Resilience: Integrating Adaptive Strategies in Dynamic Environments. *YUME : Journal of Management* , *7* (1), 271–278.

Nurhajati, Kamil, I., Kusnadi, & Zainullah, A. (2024). *Creativity and Innovation in Business* . Media Nusa Creative.

Ricardianto, P., Lembang, AT, Tatiana, Y., Ruminda, M., Kholdun, AI, Kusuma, IGNAGET, Sembiring, HFA, Sudewo, GC, Suryani, D., & Endri, E. (2022). Enterprise risk management and business strategy on firm performance: The role of mediating competitive advantage. . . *Uncertain Supply Chain Management. Uncertain Supply Chain Management* , *11(1* .

Saeidi, P., Saeidi, SP, Sofian, S., Saeidi, SP, Nilashi, M., & Mardani, A. (nd). The impact of enterprise risk management on competitive advantage by moderating the role of information technology. *Computer Standards and Interfaces,* .

Saputra, Kunaifi, & Azizah. (2021). Product differentiation using an Islamic ethics approach to increasing retail business turnover. *Journal of Islamic Studies* , *vol. 07* .

Steelyana, E. (2012). Batik, A Beautiful Cultural Heritage that Preserves Culture and Supports Economic Development in Indonesia. *Binus Business Review* , *3* (1), 116. https://doi.org/10.21512/bbr.v3i1.1288

Suzana, AJ, Lestari, HD, & Pujiastuti, R. (2023). *Entrepreneurship Basics: Steps to Business Success* (T. Yuawanda (ed.)). Takaza Innovatix Labs publisher.

Syed Shaharuddin, SI, Shamsuddin, MS, Drahman, MH, Hasan, Z., Mohd Asri, NA, Nordin, AA, & Shaffiar, NM (2021). A Review on the Malaysian and Indonesian Batik Production, Challenges, and Innovations in the 21st Century. *SAGE Open* , *11* (3). https://doi.org/10.1177/21582440211040128

Umar, H. (2001). *Strategic management in action* . PT Gramedia Pustaka Utama.

Verdiani, OM, Astutik, D., & Trinugraha, YH (2024). Adaptive Strategy in Business Development: A Case Study of the Carica Gemilang MSME in Wonosobo. *Indonesian Journal of Sociology of Religion (JSAI)* , *5* (2), 266–280. https://doi.org/10.22373/jsai.v5i2.5355

Yuliana, HM, & Rahayu, S. (2024). Kelola: Jurnal Bisnis Dan Manajemen ISSN: Di Batik EnzaSurakarta The Influence Of Promotional Dimensions On Purchasing Decisions For UMKM Products At Batik Enza Surakarta INTRODUCTION Economic development is very important and has an influence on a country. *Jurnal Bisnis Dan Manajemen* , *11* (2), 199–213.