

## Research Article

# The Mindset of Small-scale Garment Business: Production and Marketing Perspective

M Muhandi<sup>1\*</sup>, Dede R. Oktini<sup>1,2</sup>, N Nurdin<sup>1</sup>, Norsiah Binti Hami<sup>2</sup>, Salmah Binti Omar<sup>2</sup>, Shafini binti Mohd Shafie<sup>2</sup>

<sup>1</sup>Universitas Islam Bandung, Bandung, Indonesia

<sup>2</sup>School of Technology Management and Logistic, Malaysia

## Abstract.

This research was conducted to analyze the mindset of small-scale garment business actors from the perspectives of production and marketing, considering that these two aspects have an important role in creating added value in the value chain of small-scale garment businesses. This research uses a qualitative descriptive method. The type of data required is primary data obtained from in-depth interviews with actors from garment businesses located in Bandung City and Bandung Regency. The research results find that the mindset of small-scale garment entrepreneurs from a production perspective shows that most of them are oriented toward always looking for the best production methods and never feeling satisfied (creativity is not a methodology but a mindset). Given that the market for garment products wants to have a relatively fast product life cycle, the emergence of market responses to the products offered is an important input for garment businesses to produce market-oriented products. In relation to the production mindset, garment businesses pay attention to the marketing mindset, where customer loyalty is considered crucial since customers are valued as an asset that supports the business instead of a burden, and marketing is considered a margin center, not a cost center.

**Keywords:** business, marketing, mindset, production, small-scale garment

## 1. INTRODUCTION

In reality, there are a lot of businesses that experience setbacks and failures and are not sustainable anymore, which can be caused by many factors. The certainty of a business at hand is uncertain; hence, there are businesses that are newly established but have quick progress but at some point suffer a setback, or there are also businesses that are newly established but do not progress and even close. On the other hand, there is a business that progresses continuously but, at a certain point, experiences a setback, then returns to progress, and so on.

Business life cycle fluctuation [1] is a condition that can occur; therefore, a factor that determines the success or even failure of a business the most is the manager or

Corresponding Author: M

Muhandi; email:

muhandi@unisba.ac.id

**Published:** 15 August 2024

Publishing services provided by  
Knowledge E

© M Muhandi et al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the 6th SoRes Conference Committee.

 OPEN ACCESS

business owner. Failure can occur due to issues of capital availability, market presence, competition, the business environment, and others, but the most important thing is the ability of the business owner to manage his business. What the businessman does with his business will be decided by his mindset, so the mindset of the businessman is a crucial factor that determines the success or even failure of his business.

Success or failure in any scale of business, whether large, medium, or small, without exception, will be determined by the presence of business actors, in this case, small-scale garment businesses which become an object under study. The garment business becomes the focus of the research because it has its own charm with its products and business output, namely clothing, which is one of the needs of the market widely and globally. The need for clothing will never subside, as it has become a basic need that must be fulfilled by all markets.

Based on this description, the researchers are interested in further exploring factors that determine the success of a garment business by emphasizing research on the mindset of small-scale garment business entrepreneurs. Small-scale garment businesses are the focus of this research because they are one of the safety valves in labor absorption and an important point in improving the welfare of the community, especially the community with an interest in and related to the existence of this small-scale garment business.

The mindset of business actors [2] has urgent value to be studied, as it is necessary to understand that some garment businesses, in practice, are successful, even though it does not rule out the possibility they will experience setbacks or even failures so that they have to close their businesses. In reality, closing a business due to losses is not something extraordinary since it is common in business. What needs to be pursued is how businesspeople develop their current businesses so that they grow sustainably, and one of the factors that can determine business continuity is the mindset of businesspeople.

From the background description, the researcher focuses more on examining the mindset of small-scale garment business actors, especially from the perspective of production and marketing, which is considered urgent to study considering that production and marketing are primary aspects in the success of a business, including the small-scale garment business as the unit of analysis of this study.

## 2. METHOD

This research on the analysis of the mindset of small-scale garment business actors, which is focused on the perspectives of production and marketing, is carried out using a qualitative descriptive approach. This approach reveals descriptively various data and information obtained from the field that can be used to find out and understand the mindset of business actors related to the perspective of production and marketing as the main aspects (primary activities) for the small-scale garment business under study. The data needed in this research is primary data obtained from in-depth interviews with nine small-scale garment businesses in Bandung City and Bandung Regency. The informants in this research were chosen due to their relevancies and representability of small-scale garment business in Bandung City and Bandung Regency as the research analysis units.

## 3. THEORETICAL FRAMEWORK

This research aims to reveal the mindset of small-scale garment business owners from the perspectives of production and marketing. The grand theory of this research is a business management theory that fundamentally analyzes business management focused on small-scale garment businesses. Furthermore, the middle theory is the business mindset theory, which discusses the importance of mindset and how it plays a role in the successful management of this small-scale garment business. The application theory used is the production and marketing mindset theory, which is the focus of this research and is considered the main activity in a business.

Practitioners have expressed the importance of a business mindset in business. Since production and marketing are the two main aspects of a business, the mindset of businesspeople regarding these two aspects is crucial for the success of the business without neglecting other aspects of business management.

[3] explains that production and marketing are primary activities in business management that create added value in the business value chain. Production and marketing aspects are activities related to the interests of the target market; therefore, both activities are very important in business because there is no business without production and marketing activities.

In the discussion of mindset, both production and marketing are grouped into two specific characteristics, namely fixed mindset and growth mindset. In his book titled "Mindset: The New Psychology of Success", [4] categorizes these two mindsets along

with their theoretical and empirical explanations. Basically, people with a fixed mindset have the following characteristics: they consider skills and intelligence difficult to develop, avoid challenges, focus on results, give up easily, consider effort not important, ignore constructive criticism, feel threatened by the success of others, and have a tendency to find it difficult to admit mistakes.

In contrast, the characteristics of people with a growth mindset are as follows: they consider skills and intelligence can be developed, do not avoid challenges and even make them opportunities, continue to learn and get better or focus on the process, never give up on obstacles, see effort as a path to success, learn from criticism, learn from and take inspiration from the success of others, and consider mistakes as opportunities to learn.

The fixed mindset tends to assume that businesspeople only follow their inherent talents, are not creative, are static, and are unable to develop their abilities in business. Conversely, the growth mindset assumes that one's talent can be developed and that one's ability is not static but can be improved through various efforts, including endless learning. Thus, the fixed mindset and growth mindset of businesspeople will affect their behavior, actions, and performance in business.

By associating aspects of production and marketing as the main activities in business, while businesspeople conduct their activities with the mindset embedded in their minds and thoughts, the production and marketing mindset of businesspeople plays an important role in determining the success of the business itself. The concept of a production mindset can further be seen from the perspective of its work based on an understanding of the production aspect of a business. By understanding production as a productive system that produces products offered by a business, the production mindset of businesspeople can be assessed through their understanding of production aspects based on orientation, cost, quality, and time.

In terms of business orientation, small-scale business owners are faced with two types of orientation: resource or market. Resource orientation refers to businesses that will only produce what they can make; this is different from market orientation, where businesspeople make products based on what the market needs or create a market for their products.

Businesspeople with a growth mindset tend to prioritize market orientation over resource orientation. In contrast to businesspeople with a fixed mindset, they understand production in terms of what they can make without thinking about market demand or needs.

Next is the mindset towards costs, where businesspeople with a growth mindset will focus on efficiency and consider waste as a cost that must be minimized. Meanwhile, businesspeople with a fixed mindset consider costs as daily operational costs in business (working capital). Regarding quality as another aspect of production, businesspeople with a growth mindset consider product quality to be crucial, and they work to meet or even exceed consumer expectations. On the other hand, businesspeople with a fixed mindset think that product quality is not important; the important thing is that the business can run despite various limitations. Next is the production mindset in terms of time, where the growth mindset sees the importance of timeliness in production or product supply, while the fixed mindset does not prioritize just-in-time (JIT) manufacturing; hence, negotiating time is a common thing that fixed mindset businesspeople often do.

In addition to production, marketing is also one of the most important aspects of the business, since there is no business without marketing. However, it should be understood that there is a difference between marketing and sales, where “marketing is not selling” [5]. However, marketing is a profit center [6], which contributes greatly to shaping the performance of a business. In the marketing aspect, business actors who tend to have a fixed mindset will be more sales-oriented than marketing, i.e., the most important thing is that they get customers, and it is not important to maintain or increase customer loyalty. Meanwhile, businesspeople with a growth mindset see marketing as an effort to get consumers, try to serve them and make the products offered a solution to meet market needs.

Furthermore, businesspeople with a fixed mindset understand and assess marketing as an effort to invite or seduce consumers in certain ways so that they want to buy, and after they buy, businesspeople give responsibility to consumers for the products they have bought. In contrast, business people with a growth mindset have a responsibility for the products they offer, so they always think about the quality assurance of their products and try to fulfill product service promises to their consumers.

## 4. RESULT AND DISCUSSION

This research is conducted on small-scale garment businesses in Bandung City and Bandung Regency. The informants chosen for this study are businesspeople who have had experience managing their garment businesses for no less than 5 years. From field information, it is generally known that businesspeople consider the business they manage to be relatively fluctuating, in the sense of experiencing progress in one

particular period and a decline in another period; there is no linear condition where business always increases continuously. Of course, businesspeople hope their business performance will progress continuously, but they must accept the reality that business conditions are not always ideal; nevertheless, the hope for business progress must be an ever-present motivation. Businessmen believe that the only certainty they face in the future is the uncertainty of their business conditions.

Information obtained from the field indicates there is one formula for doing business: the capital, or money owned. Businesses need their own capital or loans, be it from family, siblings, friends who believe in giving loans, banks, or others. It is also known that many business people expect to get financial assistance for their businesses, either from the government or other entrepreneurs. The understanding that “business is identical to money capital” is always an obstacle for prospective businesspeople, even though in reality, running a business does not always have to have money capital, as it can also come from good relationships, trust, honesty, experience, knowledge, and others.

Some of the main links in the business value chain are aspects of production and marketing, which are understood by business actors as aspects that create added value. Some informants became sources in this research on the mindset of garment business actors, namely small-scale garment businesspeople who provided information related to the production and marketing mindset in running their business [7]–[10]. The mindset of these two aspects is the main key that will determine the efforts and performance of the small-scale garment businesses studied.

Small-scale garment entrepreneurs have a relatively similar mindset regarding production orientation, which has begun to tend toward market orientation, although they realize that they need to understand more about the importance of production aspects in the business. These small-scale garment business owners consider that one of the important aspects of production is a market-oriented mindset because most of the clothing products are made on demand (by order) and some are mass-produced. In general, these garment businesses have a mindset that tends to be market-oriented rather than production-oriented because, from experience, production orientation often leads to over-inventory, which is considered a cost. They try to avoid over-inventory because it will disrupt the capital turnover in their business. Regarding the cost mindset, most businesspeople consider all waste to have a cost; hence, fabric scraps should be reprocessed into valuable products.

Garment business owners consider that product quality must be adjusted to the target market; it is not a matter of high quality or low quality. The mindset embedded in the minds of these businesspeople is that quality is hard work and business sustainability,

so they always maintain quality conformity with the market. Next is the mindset of the time. Business people argue that punctuality is the market's trust in businesses; once they fail to meet the time (late), it means a big loss that can lead to losing relationships with marketing intermediaries or markets.

In addition to the production aspect, as discussed above, the marketing aspect is the spearhead of business success, and the garment business is no exception. Business people realize that it is the market (consumers, also known as customers) that sustains the business; being able to serve and satisfy customers means success, or failing to serve customers means loss. Therefore, reaching a wider market is more important than reaching a limited or narrow market in the local market; therefore, almost all business people utilize internet technology to do business online, more commonly called e-marketing. Even so, conventional business methods are still practiced. During the COVID-19 pandemic, many garment businesses decided to close their businesses (shutdown point), but the presence of technology helped them market their products with a wider market reach, not limited to local and national areas but also international markets. The beginning of the COVID-19 pandemic was a crisis situation until the mindset arose to close the business because it was always in a loss-making condition, but the positive side is that the minds of business people became open to marketing products online (e-marketing). The negative side of the pandemic, which was considered a threat, turned into an opportunity that made them more creative by developing a wider market more efficiently and effectively. The mindset of business people in the early years of the pandemic was that e-commerce or e-marketing was expensive. They considered themselves businesspeople who did not understand technology, the internet, or were clueless. The last years of the pandemic until now have been the most effective and efficient period, and there has been a significant mindset change in doing business through e-marketing.

It turns out that small-scale garment businesses have a strong resilience when undergoing difficult times or economic crises, such as they did during the pandemic, although it is inevitable that some of these businesses experience bankruptcy or even close (shutdown point). The resilience or even success of small-scale garment businesses in difficult times is partly due to the mindset of the businesspeople themselves. Business people who have a fixed mindset tend to find it difficult to maintain their business, or even if they survive, the progress is very slow because their mindset disrupts or weakens the passion or effort of the business so that they are easily carried away by the declining business environment and even become a threat that must be avoided, and internal business weaknesses are not solved. Conversely, businesspeople with a

growth mindset assess that their abilities and efforts are still very possible to improve; even threats from the external environment are considered attractive and profitable opportunities that must be anticipated and utilized.

## 5. CONCLUSION

This research focuses on the mindset of garment business actors, which consists of two important pillars in the business namely mindset of production aspect and marketing aspect as novelty offered through this research, because both of the aspects are commonly reviewed on a partial manner. This research offers a more simultaneous analysis. Like any other business, the garment business is inseparable from two important and influential aspects, namely the production and marketing aspects, as primary activities that create added value, which is very important to the sustainability of a business. The mindset of businesspeople towards these two aspects determines whether the business will fail or succeed. The results of the study show that the mindset of small-scale garment businessmen assumes that waste is a cost; therefore, production management is needed with the aim of effectiveness and efficiency. In addition, garments have a relatively fast product life cycle; therefore, garment businesses that have a growth mindset are more market-oriented. In relation to the production aspect, marketing is an understanding of the product's market, as consumers are the main assets that support a business. Market trust in business is believed to be crucial, so the mindset towards timeliness of production and suitability of product quality is important in maintaining business trust with partners and markets.

## References

- [1] Reigl N. Noise shocks and business cycle fluctuations in three major European Economies. *Empir Econ.* 2023;64(2):603–57.
- [2] Mawson S, Casulli L, Simmons EL. A competence development approach for entrepreneurial mindset in entrepreneurship education. *Entrepreneurship Education and Pedagogy.* 2023;6(3):481–501.
- [3] Porter ME. *Competitive advantage: Creating and sustaining superior performance - with a new introduction.* New York: The Free Press; 1985.
- [4] Dweck CS. *Mindset: The new psychology of success*, vol. 44, no. 04. New York: Ballantine Books, an imprint of The Random House Publishing Group, a division of Random House, Inc, 2006.



- [5] Czinkota MR, March RM. Honoring the customer: Marketing and selling to the Japanese. *J Mark.* 1993;57(2):133.
- [6] Bhattacharya A, Morgan NA, Rego LL. Examining Why and When Market Share Drives Firm Profit. *J Mark.* 2022;86(4):73–94.
- [7] R. K. H. Shubar, Z. M. Abbas, and K. K. AL-Hassany, “Spotlight on the Marketing Mindset: Literary Review,” [IJM]. *Int J Manag.* 2020;11(5):1604–11.
- [8] Sadiku-Dushi N, Ramadani V. Entrepreneurial Marketing Mindset: What Entrepreneurs Should Know? In: Ramadani V, Palalić R, Dana L, Krueger N, Caputo A, editors. *Studies on Entrepreneurship, Structural Change and Industrial Dynamics.* 2020. pp. 181–210.
- [9] Yadav A, Bansal S. Viewing marketing through entrepreneurial mindset: a systematic review. *International Journal of Emerging Markets.* 2021;16(2):133–53.
- [10] Shaalan A, Agag G, Tourky M. Harnessing Customer Mindset Metrics to Boost Consumer Spending: A Cross-Country Study on Routes to Economic and Business Growth. *Br J Manage.* 2023;34(1):442–65.