



Exploring the Potential of Strengthening for Batik Industry in Digital Era (Study of Handmade Batik Kulon Progo of Jogjakarta)

Agustin Windianingsih^{1*}, Wawang Darmawan², Akhmad Najih³

Universitas Islam Jakarta

Corresponding Author: Agustin Windianingsih agustinwindia@yahoo.com

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ABSTRACT

Indonesian Batik is a world cultural heritage that has been admired by UNESCO. The market potential for international batik products has long been a target for batik SMEs, including the production of batik tulis of Sembung Batik from Kulon Progo Regency, Jogjakarta. This study analyzes the constraints on the marketing of batik tulis Sembung Batik and recommends strategies for developing a creative economy by maintaining local wisdom. This study used a descriptive qualitative method and the data collected from Sembung Batik. The findings in this study are that foreign buyers almost never complain the quality of Sembung Batik products, meaning that the quality of the products is able to match the willing of foreign consumers. To keep pace with foreign demand, Sembung Batik needs to expand their marketing network by utilizing digital marketing technology, collaboration between batik SMEs, establishing partnerships with financial institutions and improving foreign language skill to communicate their newest products

INTRODUCTION

Javanese culture both psychologically and in mindset cannot be separated from philosophical values. The elements of Javanese culture include literary arts, kinship systems, lifestyles, architecture, rituals and arts. Javanese cultural philosophy has the goal of highlighting the values of truth and perfection which lie in the symbolic values that exist from the human relationship with the Creator, fellow human beings and the universe which is manifested in the form of artistic and cultural products such as batik.

Indonesian Batik is a world cultural heritage that has been recognized by UNESCO. The history of Indonesian batik to be recognized by UNESCO has gone through a long and difficult journey. Batik is not only artistically valuable, but full of philosophical meanings.

The Indonesian people, in this case local wisdom observers and the local regional government, at least provide enlightenment regarding raising public awareness and concern for the importance of developing batik as a potential for local wisdom and as a village/regional economic strength. By providing counseling to residents who are members of the batik business group, it is hoped that the development of local wisdom will be formed so that they can turn the rural economy through the creative economy of batik. This understanding is very important to support the success of government programs in the creative economy sector so that it has the effect of reducing educated unemployment and increasing the economic standard of rural communities.

The growth of the creative economy looks so great the potential it has. The increase in the contribution of the creative economy to Indonesia's total Gross Domestic Product (GDP) in the last three years has continued to increase. In 2017, the contribution of the creative economy to GDP was around IDR 990.4 trillion. This figure has increased from 2016 which amounted to IDR 894.6 trillion and increased from 2015 which amounted to IDR 852 trillion. This sector in 2017 was also able to provide jobs for 16.4 million people, an increase compared to 2016 of 16.2 million and 16.96 million workers in 2015. These various achievements can be used as momentum to continue to increase the size of Indonesia's creative economy while increasing optimism that the creative economy can become Indonesia's newest economic engine in the future.

Indonesia is a country that has received world attention through the efforts made by the Ministry of Tourism of the Republic of Indonesia. Indonesia has various kinds of cultural tourism that are not owned by countries around the world. Tourism based on culture and local wisdom is a characteristic of Indonesia. Among the areas that have local wisdom and strong cultural roots is Jogjakarta. Jogjakarta is a province in Indonesia which has long been known for having a variety and types of interesting tourism, including religious tourism, culinary tourism, shopping tourism, cultural tourism, historical tourism, and others. One of the tourist attractions of Jogjakarta which is known and recognized as a world cultural heritage by UNESCO is Batik. There are at least three criteria behind UNESCO's designation of batik. The first criterion that was successfully met and made Indonesian batik recognized by UNESCO was the science of batik. His knowledge is passed down from generation to generation, starting from the

selection of canting, how to do it, the designs, the motifs, to how to color it. Second, Indonesian batik is also used as part of human life, especially in Java. Since birth, batik has been used to carry babies, in the process of circumcisions, weddings, and to cover the bodies of people who have died. Third, batik is also often used by Indonesian people in their daily activities from the backward times until now.

The government's suggestion to use batik once a week or on Fridays in various government agencies creates a strong multiplier effect. Apart from civil servants who use batik, it turns out that there are also many private companies that require or at least encourage their employees to wear batik on certain days. The role of batik in international and world diplomacy gives importance to batik as a commodity that preserves Indonesian culture. In a piece of batik cloth, there are socio-cultural and economic values that reflect the dignity of a nation.

THEORITICAL FRAMEWORK

Definition of Creative Economy

The term creative economy first appeared in 2001 in John Howkins' book entitled "The Creative Economy: How People Make Money From Ideas", a book about creativity and the economy. Howkins said that economics and creativity are not something new, what makes them new is when they connect the two so that added value is created. According to the 2010 Creative Economy Report issued by the United Nations Conference on Trade and Development (UNCTAD), the creative economy is a concept that continues to develop based on creative assets that have the potential to generate economic growth and progress. UNCTAD also states that this creative economy functions in:

1. Promote income generation, job creation and export earnings while promoting cultural diversity.
2. Covers economic, cultural and social aspects that interact with technology, intellectual property and tourism destinations
3. A knowledge-based set of economics with development dimensions and cross-sector linkages at macro and micro levels for the whole economy.
4. For use in the development of multidisciplinary innovation and economic policies.
5. The basis of the creative economy is the creative industry.

In general, there has been an economic shift in the world, from what was originally the era of the agricultural economy until now towards the development of a creative economy.

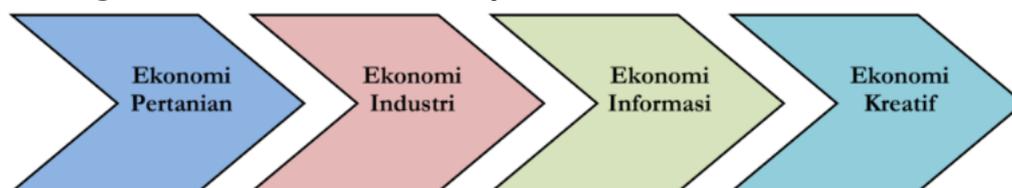


Figure 1. Shift in the Economic Era

Economic Potential of Batik Industry

The Kulon Progo Batik Industry is an industry that elevates local wisdom culture or "Local Wisdom" of Kulon Progo Regency, in terms of the motifs that elevate local culture and folklore of Kulon Progo so that it becomes a uniqueness and privilege compared to other types of batik. Kulon Progo Batik is a commodity that has export opportunities. Apart from increasing foreign exchange, batik exports introduced Indonesian culture to the world. However, the Kulon Progo Batik Industry SMEs need to be supported by technological capabilities and good quality human resources in order to be able to compete in the free market era.

The Potential of Batik Tulis Exports

In the process of globalization, companies often choose to penetrate international markets to increase their competitiveness and develop their market share in foreign markets. The process of international economic integration in the context of the rapid development of science and technology opens up many opportunities as well as challenges for all countries in the world, especially for developing countries like Indonesia. There are various methods of entering foreign markets, and each method represents a certain level of penetration in international markets. In addition to the advantages gained during market penetration, companies also face certain potential losses such as time to recover profits from investment, competitors in the market, product quality, and sources of capital.

A company can be said to be an exporter if the company has carried out export activities for the last three years and exported at least one percent of its gross sales. Export activities become attractive for SMEs because they provide a competitive advantage as their financial growth increases with the integrated use of various resources. However, even though exporting provides growth opportunities for SMEs, the challenges and complexities of entering international markets are still obstacles for SMEs to penetrate foreign markets. According to Kotabe and Czinkota, export assistance programs generally consist of export financing, export counseling, seminars, market development programs, product exhibitions, market analysis and export-specific bulletins or magazines.

METHODOLOGY

This research is a type of literature study research, with a descriptive approach, through collecting data and information from Sembung Batik and from various literature from various sources (journal references, reports, web information, and others) related to the theme raised in this paper, then processed and developed by the author.

RESULT

Due of this study uses descriptive qualitative methods, the results that can be identified are as follows

Business Sustainability

Most of the batik entrepreneurs strongly agree that their business in the batik industry is a heritage from the previous generation and will also pass down the business to their next generation. They are being supported by qualified

handmade batik artisans to produce a good quality of batik and they agree that based on a good relationship with handmade batik artisans, they could maintain their business. Similarly, these entrepreneurs still have constraints about expanding their business outside Jogjakarta, beside can be concentrate on export products possibility.

Social Media as Promotion Tools

Most of the batik entrepreneurs agree that social media has a significant impact on product promotion and they are starting to use social media to promote their product, but they assume that their employees still do not have sufficient knowledge in social media usage. Similarly, batik entrepreneurs agree that social media could beneficially impact and expand their market access but still doubt that it could raise their sales volume.

Financial Factor

Batik artisans stay in the profession owing to financial reasons. They need to earn the income as batik artisan and this factor is the strongest factor that influences the profession's sustainability.

Accounting Information System Implementation

The average batik entrepreneur already used accounting information system in preparing their financial statement though the number of people that make use of this technique is still pretty low, as they still have doubt that Accounting Information System will benefit the business, raise effectiveness and enhance the business quality.

Sustaining the Batik Artisan Profession

On the average batik, artisan are willing to pass their skill to their family and others.

The Skill of Craftmanship

Majority of batik artisans have adequate skill to produce high quality of handmade batik.

DISCUSSION

The history of Sembung Batik began when the parents of the current owner of Sembung Batik, namely Mr. Bayu, worked in Jogjakarta as a batik craftsman, until 2008 he returned to Kulon Progo to set up his own batik business, the funds for which came from private funds. The processing of business permits was carried out in 2009 in the form of a Trading Business, which until now Sembung Batik has not changed its business status to CV or PT.

At first, Sembung Batik's products were more widely known in the local area, but since Mr. Bayu has taken control of the business, Sembung Batik has optimized the marketing of batik through digital marketing. Sembung Batik's efforts to capture overseas customers are carried out by utilizing YouTube and Tiktok digital channels, while domestic marketing uses the Instagram, Facebook and market place platforms such as Tokopedia and Shopee. Efforts to market batik yielded results with guests coming to shop and to learn batik, both from local and abroad. Most of the guests who came from foreign countries were from Europe, such as the Netherlands and Poland, some were from Australia and African countries. Their interest is not only in owning batik, but also in learning

the series of batik processes to learn how to make batik from the beginning of design into a piece of batik tulis. Local guests who learned batik also came from all over Indonesia, both from campuses, institutions, associations, communities and so on.

Sembung Batik prefers of buyers from Europe because they are seen as more appreciative of works of art and it provides enough profit per transaction to buy dozens of pieces of batik tulis with a total purchase of tens of millions of rupiah. The colors and motifs they prefers are soft colors and natural motifs. Until now there have been no complaints regarding the quality of the batik produced, while limitations in mastering foreign languages are still an obstacle when communicating information on the newest products personally.

During the pandemic some time ago, Sembung Batik did not experience a decrease in their income, both from local and foreign buyers, because apart from already having its own market, Sembung Batik maintains its customers by accommodating them to re-produce old motifs that are still in demand and can order the buyer's willing of motifs. According to customer requests, besides continuing to produce regularly as many as 20 pieces of batik tulis per one motif.

Regarding taking advantage of opportunities to take foreign markets more seriously, Sembung Batik is still constrained by due dates that must be fulfilled according to schedule, because the process of making batik is still very dependent on weather conditions, in addition to the unavailability of skilled batik workers and the distraction of the process of making batik which sometimes follows culture. Rural togetherness culture and high social life ethics that cannot be avoided by the workers. Another obstacle is the inadequate availability of raw materials when there is a lot of demand. Even though there have been export training efforts organized by the relevant agencies, it seems that real action to encourage collaboration among batik business owners has not produced results to meet the due dates and quantity targets that must be fulfilled. However, Sembung Batik consistently utilizes individual and community networks abroad to market the products.

In the current era, customers are more concerned about products that pay attention to the sustainability of the ecosystem which can influence their purchasing decisions, especially in the fields of fashion and textiles. This should be a concern for Sembung Batik because in many cases, well-known fashion brands focus on integrating the concept of sustainability in various aspects, which include environmental, social and economic aspects into their business strategy and management.

Alternative strategies that can be implemented in the future consisting of market development strategies. There are four strategic options that can be implemented to increase sales and market share. The following is a description of the four strategic options:

1. Market Penetration

In this pattern, is to market existing products to existing customers. Customers are expected for repeating to buy of these products. This is done through vigorous product promotion or brand repositioning. Here the product is not changed at all and also not looking for new customers.

2. Market Development

In this pattern, is to market existing products to new markets. The market is developed so that new customers emerge. For example developing export markets or looking for new sales areas.

3. Product Development

In this pattern, is to create and market new products to existing customers. Here, product innovation or new product introduction is carried out as manufacturers regularly issue new types, and then market them to their loyal customers.

4. Diversification

In this pattern, is marketing new products and also aimed at new customers. There are two types of diversification, namely those related to current products, and those that are not related (unrelated diversification).

Creative Economy Development Strategy Based on Local Wisdom

From the results of the problems described above, the possible strategies that can be carried out by the creative economy actors of Sembung Batik and the government to minimize the occurrence of these problems are as follows:

1. Finalizing and optimizing the creative industry business model by adding unique arts to the creative industry, finalizing the creative economy business model and minimizing business risks.
2. There is appreciation from the community and the government for businesses that have succeeded in creating a creative and innovative work that can be proud of and developed.
3. Expanding the network for marketing creative industry products and services, mastering technology related to the process of distributing (marketing) creative products.
4. There are clear regulations regarding governance and electronic transactions in each creative industry sub-sector.
5. There is an approach and collaboration between the government and capital lending institutions (banks) to create easy capital for creative industry players.
6. There is openness for producers to publish the raw materials produced so as to accelerate creative industry players to procure the required raw materials.
7. Improved understanding of copyright and countermeasures against piracy of copyrighted works which must be continuously pursued.

Building public spaces that can continuously become a place to introduce and promote creative products from the surrounding community.

CONCLUSION

Batik is a creative industry product icon based on culture and local wisdom that is characteristic of Indonesia. Indonesian Batik is a world cultural heritage that has been admired by UNESCO. The existence of the Kulon Progo batik business is expected to concern the development of local wisdom so that it can turn the rural economy through the creative economy of batik.

The achievement of Indonesia's GDP from the creative economy sector can be used as a momentum to continue to increase the size of Indonesia's creative economy while at the same time increasing optimism that the creative economy

can become Indonesia's newest economic engine in the future. The process of international economic integration in the context of the rapid development of science and technology has opened up many opportunities as well as challenges for all countries in the world, especially for developing countries like Indonesia, to market batik as an Indonesian product.

Alternative choices of batik internationalization strategies that can be implemented by Sembung Batik in the future which consist of several market development strategies are: Market Penetration, Market Development, Product Development and Diversification.

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