



Market-Oriented Management System in Batik Enterprise

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Abstract The study aimed at finding the variables causing the failure of batik ventures in Plupuh, Sragen, Indonesia. It also provides a market-oriented management system to improve the enterprise and economy. Furthermore, Participatory Rural Appraisal (PRA) and Project-Based Learning (PBL) were the approaches used in the research. Data were collected using questionnaire, interview, direct observation, survey, and literature studies. Moreover, the concept of Plan, Do Check, Action was applied to solve the problems faced by batik entrepreneurs. The population involved 120 batik entrepreneurs in Plupuh, with only 10 entrepreneurs sampled based on low productivity criterion. The research was conducted for two years and it involved village government parties, businessmen, resellers, policy, and consumer-holders as well as batik consultants. The study involved identifying problems, resolving cause-effect problems, designing questionnaire instruments and identifying solutions, and conducting managerial trials for 10 entrepreneurs. The results showed that managerial or governance system improved the performance of market-oriented batik ventures.

Keywords management system, enterprise, batik, orientation, market

Introduction

The intense competition in market conditions for the creative industry in Indonesia is not limited to local and national industries but also among several multinationals. This was due to the entrance of Indonesia into the ASEAN Economic Community in early 2015 which exposed the country to a single-window to allow products, services, capital as well as labor from neighboring ASEAN members to freely enter the country [1]. This is an opportunity for Indonesia creative industry to develop its ventures to a wider market level. However, this process also led to tightening competition due to free entry of competitors from other countries. Therefore, all local and regional creative industries are expected to employ certain strategies through the improvements of product competitiveness, productivity, human resources, as well as marketing at local, regional, national, and global levels [2].

Batik entrepreneurs are one of the groups of people under this rigorous competition in some regions as reported by survey and empirical observation made in three Subdistrict, Masaran, Plupuh, and Kalijambe with about 7000 people in Sragen Regency. This, therefore, requires review and solution [1,3]

The sales and production performance of batik in this area have been restricted and observed to be declining. The business was found to be beneficial to the economy of Sragen Regency even though it lacks full features/specialties in terms of motive, color, complexion, and branding.

The utilization of the superior potential of batik business requires an uneasy pro-active step considering the current millennium era as well as the reliance on old and conventional experiences by entrepreneurs in this sector. The process requires entrepreneurs synergize and connect with all millennium powers and ensure no limitation due to distance and time to sell the products quickly [4].

Moreover, business players need to increase production capacity and sales performance to face market challenges as well as understand opportunities and market dynamics. This research was, therefore, conducted in Plupuh Subdistrict due to the existence of problems requiring solutions.

Some researchers have reported a strong signal about the importance of increasing batik ventures. According to Adcharina [2], sales improvement could emphasize on and utilize social media for online businesses. Jaidi [5]



also reported it is possible to develop batik models through electronic community system (ECS), while Suranto [6], Juliani [7] and Sarah [8] reported that in the millennium era 4.0, the competitiveness reinforcement strategy of batik ventures in ASEAN Economic Community (SEC) needs to include design innovation, technology, and website-based marketing.

Increasing production and marketing capacity is also required to improve venture performance. The millennium era of capacity improvement needs to be constructed more real to ensure real benefits [9]. According to Suranto [6], this era provides individuals including batik entrepreneurs the opportunity to exploit its capacities independently.

Furthermore, the government and several policy-holders have continued to make regulations to build and provide technological advancement for the enterprise but there are difficulties in varying degrees. Based on early research and observations, the problems in Plupuh Subdistrict include (a) capital, (b) marketing, (c) promotion, (d) decreased morale, (e) diminishing human resources, (f) production, (g) quality and education of low human resources, (h) weak online mastery, (i) weak bank access, and (j) job productivity decreases.

Initial research was conducted for two years to discover the problems of batik business in Plupuh Subdistrict with the entrepreneurs spreading over Pungsari, Gedongan, and Jabung regions. It was found that urgent attention should be given to the subdistrict over the other two subdistricts of Masaran and Kalijambe.

According to Sudaryanto [10], some studies have been conducted on batik venture empowerment in the ASEAN free markets and it was found that strategies to anticipate increasingly open competitive market mechanisms, particularly in market mastery which is a prerequisite to increase competitiveness, are required. Mudjiarto [11] also researched the efforts needed to improve product quality and run reliable and independent batik business.

Other studies are required in the Plupuh subdistrict because the (a) productions from the area have not been able to compete with those from other areas in Sragen or nationally, regionally, and internationally, (b) effort of the entrepreneurs need to be strengthened for global batik business participation, (c) problems arising from increased productivity needs to be solved and to ensure improvement in the welfare of batik entrepreneurs through modal, business, production, and marketing management, as well as increased business spirit.

The conditions of the business in the subdistrict revealed the development of the batik industry is poor and requires improvement of performance to increase the well-being of the entrepreneurs as well as the community in general.

As previously explained, the motif batik industry in Plupuh is expected to be unique and have distinctive shapes to indirectly be the cultural ambassador of the Sragen society. This is attached to the community's love in utilizing cultural objects to produce varieties of craft products.

The use of batik also depends heavily on the creative capabilities of the craftsmen in designing patterns and modifying several motifs into a product. Besides the application of blending and canting techniques to a cloth or medium to produce a batik, conversance, and hand skills are also very important because consumers mostly purchase motifs by combining different colors. However, applying only creativity may fail to provide an optimum result except it is supported by market orientation as the key to improving the performance of batik industry ventures.

The Plupuh batik industry was considered as a case study because (a) no research has been conducted on portraits and construction of batik performance improvement models in the area, (b) urgent study is required to understand and construct structures, components, and acceptable models with existing conditions and (c) there are surveys, observations, and mapping to be used in resolving existing problems.

Therefore, this study aimed to identify the variables of market-oriented batik business, understand those causing managerial problems through the use of Plan-Do-Check and Action (PDCA) concepts, and determine the market-oriented management system to improve batik enterprise in Plupuh.

Literature Review

1. State of The Art Research

Research related to the batik business improvement model has been conducted [12] with a focus on the empowerment of small-scale batik industries in Central Java with case studies in Regency and Pekalongan City. The aim was to analyze the factors influencing production, both efficiency levels, worker empowerment, and productivity and the use of quantitative methods produced five variables of raw materials, helper materials, power, kerosene, and firewood to be influencing production.

In another study by Nur [13] on skills accompaniment and development of a *ciprat* batik venture for the School of Extraordinary (SLB) mental retardation on the Autism Semarang Foundation. The qualitative methods found the mentoring process is able to produce Ciprat batik works with special motifs and support the efforts of children with special needs. Mudjiarto [11] also conducted a study on mentoring of business management to improve coaching quality in batik Small Medium Enterprises and Cooperatives (UKMK), and the qualitative approach used showed positive impacts of these programs on quality.



According to Sudaryanto [10], strategies to empower batik in the free-market era requires the support of the government in building infra-economic structures and supportive facilities by considering the existence of Micro, Small and Medium (UMKM) Businesses. This is due to the ability of the sector to provide employment and opportunities for SMEs to thrive in the community. Sarah [8] also revealed the empowerment of batik entrepreneurs required a craftsman to have the tendency to operate using dual-role of reproduction and production based on the family's economy. It was also recommended that a female community-based model should be developed to improve the increasing women economy. According Nahiyah [9] also reported mentoring to be urgently needed for female batik entrepreneurs in the LendahKulonProgo to increase their welfare and income, training, skills, and productivity. According Juliani [7] stated that training and empowerment are required to improve business strategies and maintain the survival of batik ventures. Adcharina [14] also reported that mentoring greatly provides a positive role through an interactive, foster care-based approach capable of mentally improving efforts for batik craftsmen in Masaran.

The Meaning of Batik

Etymologically, batik constitutes series of words such as 'mbat' and 'tik', with 'mbat' interpreted in Javanese to be 'shooting' or 'throwing many times' while 'tik' is derived from the word 'point'. Hence, it means throwing a point many times on fabric, with the dots forming lines and motifs all over using canting and night as materials [15]. Batik is also referred to as a written work through the use of canting tools as techniques to remove the fluids in the form of wax. In the *inggil*/high-level language, the word 'nyerat' translates as writing or write and paint. Therefore, batik is the art of painting as observed in a craftsman painting ornaments also known as a motif.

Batik has become popular since the spread of the *Majapahit* and Islamic because it was worn by kings as well as their families and followers. It has become a national product enriching the nation's cultural diversity as evident from the explanations and opinions obtained by previous researchers.

Product Market Orientation

Market-oriented products are quality products suitable for users in line with their needs, price and time, and dimensions. Its indicators include proper positioning, customer loyalty, gaining new market share, maximizing sales, and creating an effective business performance. Moreover, product advantage is divided into three and they include (a) product differentiation, (b) market segmentation, and (c) the market acceptance [16]. The market-oriented product feature involves ensuring a balance between user satisfaction and manufacturer expectations concerning specifications and production, respectively. The indicators of Batik product are, however, rated from 4Ps including Product, Price, Promotion, and Place as shown in Figure -1 (Kotler, 2005).

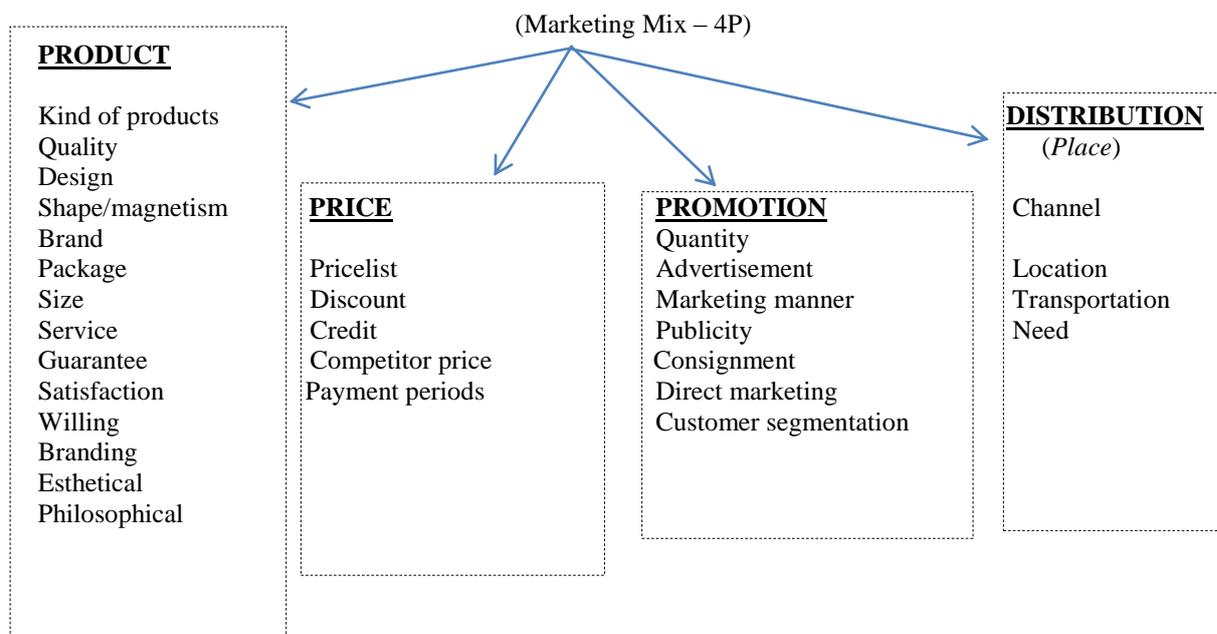


Figure 1: Marketing Mix

Market-Oriented Marketing Performance

Several companies implement competing strategies through product marketing activities and those continuously focusing on performance development have a better chance of achieving good results. Product advantage has a uniqueness blending the value of art with the taste of customers.

Moreover, performance is a construct and a factor commonly used to measure the impact of a company strategy. Therefore, marketing performance can be defined as a concept to measure the achievements of a product or company. Kotler [16] also defined the concept to be the factor used to measure the impact of an implemented strategy on a business organization. The external indicators of this concept involve sales volume and revenue, customer/consumer growth, and profit capabilities while the internal includes corporate performance observed through independence and managerial efforts.

Research Method

1. Research Subjects

The research population include 120 batik entrepreneurs from PlupuhSubdistrict and 10 entrepreneurs having problems with low productivity and declining incomes due to low sales volume were selected for the study.

2. Data Collection Method

Data was collected through the use of a questionnaire, field observation, literary study, documentation, and interviews.

3. Data Analysis Method

Data obtained were analyzed using Project-Based Learning (PBL) and Participatory Rural Appraisal (PRA) approaches. The stages involved include identification of variables in market-oriented batik business problems, (b) understanding the variables causing low productivity through the use of Plan-Do-Check and Action (PDCA) concept, and (c) determining the appropriate market-oriented management system model to improve performance. The steps involved in problem identification analysis are as shown in Figure-2.

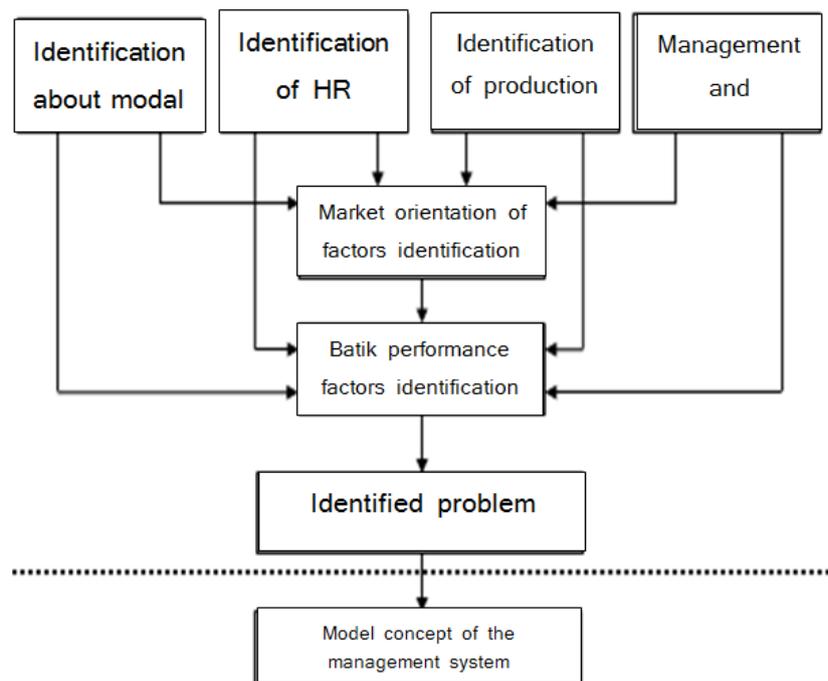


Figure 2: Problem identification analysis

Result and Discussion

Result

1. Variable Identification

Based on the survey and observation of the entrepreneurs and batik craftsmen in Plupuh Subdistrict area, the general problems found include (1) low Human Resource quality, (2) low market access, (3) weak modal, (4) production process, and (5) management/managerial.



Technically, the production by the 10 entrepreneurs sampled in Industrial Center of Plupuh Batik was faced with obstacles, hindrances, and the products were found not to be market-oriented. The reasons were observed to be (1) weak product innovation (monotone), (2) weak and outdated marketing strategy, (3) fierce competition mostly with outside competitors, (4) unfulfilled customer needs and desires with volumes not being in accordance with time, (5) less maximal service, (6) competitor products selling well in the market, (7) few batik brands from Masaran, (8) weak utilization of social media networks (marketing tends to be conventional), (9) weak marketing mix, (10) weak product innovation, (11) low labor education (craftsman and entrepreneur), and (12) batik entrepreneurs having second number (as a sideline). These problems were later examined in-depth and solved through the use of *Plan-Do-Checkand Action* (PDCA). The cause-effect analysis of the problem, as well as the solution, are shown in Figure -3.

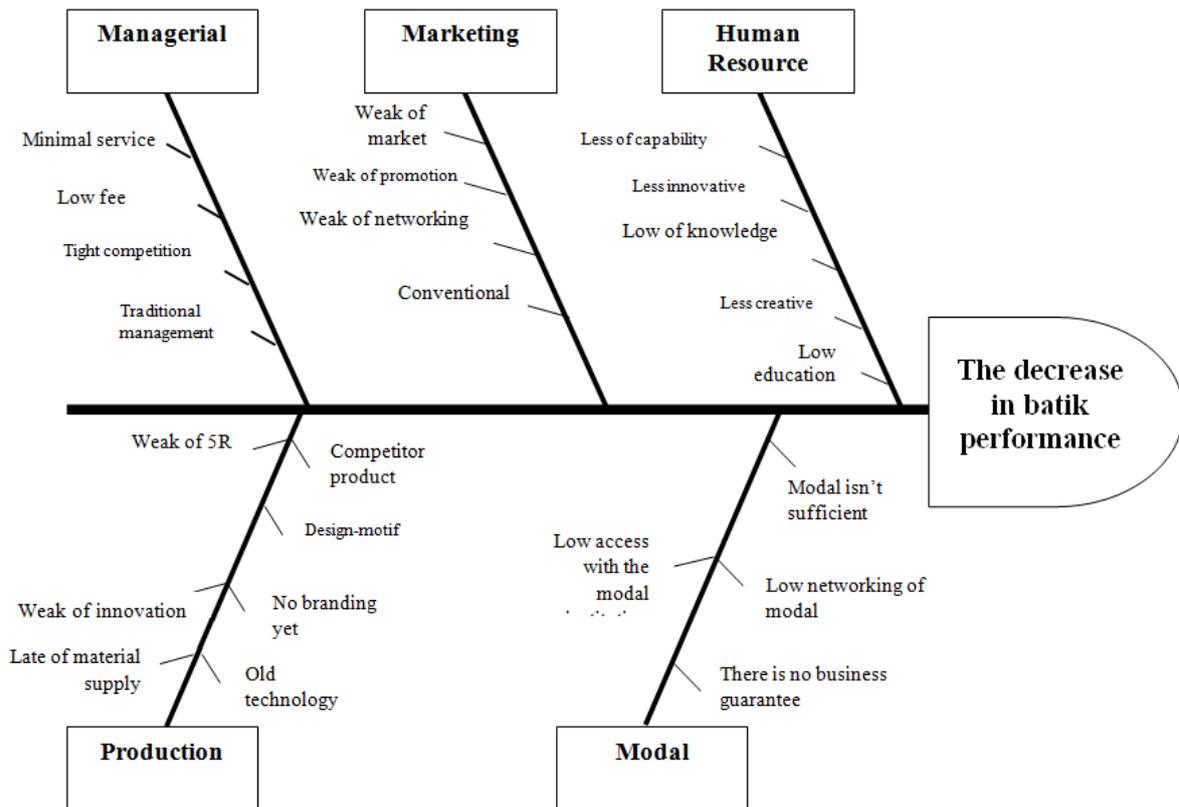


Figure 3: Problem Solving (cause-effect)

Batik Entrepreneur Management System

After reviewing the technical and management system problems, the proposed solutions are as follows.

No	Problem	Sub-problem	Solution
1	Human Resource (HR)	<ol style="list-style-type: none"> 1. Less capability 2. Less innovative work 3. Low knowledge 4. Less creativity 5. Low education 	Educational training for design, motif, complexion, and batik production.
2	Modal	<ol style="list-style-type: none"> 1. Modal is not sufficient 2. Low access with the modal institution 3. Low networking modal 4. There is no venture guarantee 	Cooperation with the investor (bank, cooperative), Corporate Social Responsibility (CSR) and sponsor.
3	Marketing	<ol style="list-style-type: none"> 1. It is conventional 2. Low networking 3. Weak promotion 4. Weak marketing mix 	Related Official Technological information comprehension (social media) daring
			Promotion improvement either

4	Production	1. Competitor's product is better	online or offline
		2. Design-Motif is less updated	Product innovation (price, brand, quality, raw material, motif, design, complexion)
		3. There is no brand yet	
		4. Old technology product	
		5. Late material supply	Kaizen implementation and the new technology/method implementation
		6. Weak product innovation	
		7. Weak kaizen implementation	
5	Managerial	1. Traditional management	E-commerce utilization (daring)
		2. Tight competition	Service quality improvement
		3. The service is not superfine	The improvement of employee salary
		4. Low payment/fee	

A. Data Discussion

Based on the research, the variables discovered to be causing problems for the batik products in the market include (1) weak product innovation (monotone), (2) weak and outdated marketing strategy, (3) fierce competition mostly with outside competitors, (4) unfulfilled customer needs and desires with volumes not being in accordance with time, (5) less maximal service, (6) competitor products selling well in the market, (7) few batik brands from Masaran, (8) weak utilization of social media networks (marketing tends to be conventional), (9) weak marketing mix, (10) weak product innovation, (11) low labor education (craftsman and entrepreneur), and (12) batik entrepreneurs having second number (as a sideline). Therefore, daring, marketing mix, marketing strategy, HR quality, modal, raw materials, motif, complexion, and design are prioritized to improve the products.

Furthermore, the problems were solved through brainstorming and implementation of the solutions to increase productivity. The management of five aspects of DR, capital, Marketing, Production, and Managerial requires at least every small business/entrepreneur has SOP (Process Operations Standardization) and SOP (Procedure Operations Standardization) in each activity in line to increase sales volume.

Conclusion

This research found the variables causing problems for batik entrepreneurs to include modal, production, managerial, HR and non-optimal marketing. The market-oriented products can be improved through the use of SOP in these aspects as well as good management system/managerial capability through skilled, innovative, and creative HR. Moreover, the tools and methods involved in production and marketing should also be maximally developed.

Suggestion

It was suggested that batik entrepreneurs develop market-oriented products, has a managerial or standard management system, and improve the whole product quality.

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