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Maintaining Local Wisdom of Batik Culture to Improve Competitiveness in International Business: Case Study on Batik Jokotole Collection in Bangkalan City, East Java, Indonesia

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Abstract:

Batik as a national cultural diversity that exists in Indonesia and is a craft that has high artistic value and local wisdom that has been a part of Indonesian (especially Javanese) culture for a long time. Indonesia is an area that has a very rapid growth and development of batik, especially those that occur on the island of Java, precisely on Madura. Batik The Jokotole collection has many opportunities to develop batik exports throughout the world. Jokotole batik export potential in Bangkalan is one of the cities exporting to several countries including Japan, Africa and Malaysia. With all types of batik motifs that are very exclusive and the potential of batik in the World is still high. Jokotole collection does not only sell batik cloth, but also sells knowledge products, where each coloring and motif of batik cloth has its own meaning. The purpose of this study is to analyze the competitiveness of the competitive advantage of Indonesian batik products, especially the Jokotole Collection on the international market. This also helps the production of batik sales to be increasingly recognized by various countries and helps the economic distribution of Bangkalan Madura batik, East Java, Indonesia.

Keywords: *Batik, local wisdom and competitive advantage*

1. Introduction

The emergence of competition in the business world is something that cannot be avoided. With competition, companies are faced with various opportunities and threats both from outside and from within the country. For this reason, each company is required to always understand and understand what is happening in the market and what consumers want, as well as various changes in their business environment so they can compete with other companies.

In order to deal with challenges related to the existence of trade liberalization, the performance, potential, and competitiveness of the business sector associated with these conditions need to be improved. Increased absolute competitiveness is carried out both for domestic and foreign markets. Batik Indonesia is a culture that is admired by the Indonesian people and the international community. Indonesian batik culture has been appointed as a masterpiece of world cultural heritage (World Cultural Heritage), by UNESCO since October 02, 2009.

Batik Jokotole Collection is a batik originating from Bangkalan regency, precisely in Madura, whose work has local wisdom by standardizing it through two things, the motives and the quality of the colors presented. Madura traditional batik in terms of motifs have the typical motifs of roots and sick Malaya, whereas, in color, Bangkalan batik has distinctive red, green, yellow, and blue colors. The colors in Bangkalan batik itself have their own meaning, such as red which has the meaning of courage to maintain self-esteem. Green itself reflects the religious sides of the Madurese community. Then there is a yellow symbolizing yellowing rice. And as for the blue color shows that the Madura region is surrounded by a blue sea.

The export potential of Jokotole batik in Bangkalan is one of the places that have been exported to several countries including Japan, Africa, and Malaysia. With all kinds of batik motifs that are very exclusive and the potential of batik for the world is still high. On the other hand, Jokotole Collection says that when speaking of batik it means that each one has the value of creativity poured into the process because one person must be different, the jokotole collection does not only sell batik cloth but also sells knowledge products where each batik color and motif has own meaning. When dealing with consumers who come from westerners, they are not the same as Indonesian people, because westerners, when they hold it, are not necessarily bought because westerners cannot be deceived so they must be explained according to specs, because the product knowledge must be explained more than 10 minutes if there is a wife with the explanation that has been described, it can only be purchased immediately.

In accordance with the source and development of the competency concept, in the effort to build competencies (whether in the form of products, services or commodities) should pay attention to criteria relevant to the need for increased competitiveness, namely uniqueness (difficult to imitate), ability to give more benefits, or giving ability profit with a more efficient partnership. Increased competitiveness is focused on production levels and broader at the industry level. Basically, competitiveness is not always something big and complicated, so national competitiveness is a set of many aspects, many commodities, many abilities, many resources in numbers that do not have to be always large, but have the power to compete in the global market of Gupita (2018).

2. Research Methods

2.1. Research Model

This study uses a qualitative approach which is a method for exploring and understanding the meaning of a number of individuals or groups of people who are considered from social or humanitarian problems (Creswell, 2012). The approach used in this study is a case study. This research was conducted for one month during which the researchers went directly into the process of retrieving data with the aim of exploring facts from various sources. By obtaining primary data through direct interviews with respondents to research, observation, and documentation. Secondary data is collected through references and statistics that are relevant to the research objectives.

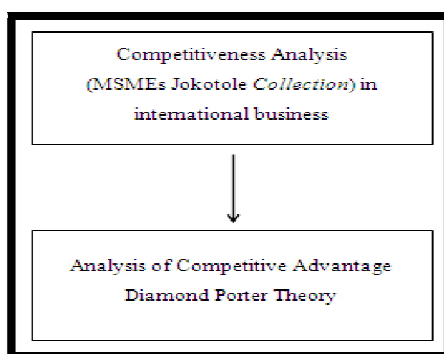


Figure 1: Research Model

Descriptive methods are used to obtain internal and external conditions for small and medium micro enterprises in Batik Jokotole in the form of competitiveness analysis which then finds the competitive advantage of batik products on the international market based on the theory of Berlian Porter.

According to Michael E. Porter, (2007), there are four attributes that can create a competitive advantage for national industry, namely factor conditions, demand conditions, supporting and related industries, and the company's strategy, structure, and competition (firms strategy, structure, and rivalry). The four attributes are interrelated and related to each other so as to form a system known as Porter 's Diamond. In addition, there are two additional variables which indirectly affect the competitiveness of an industry or the business of a commodity in a country, namely the role of the government and the role of opportunity.

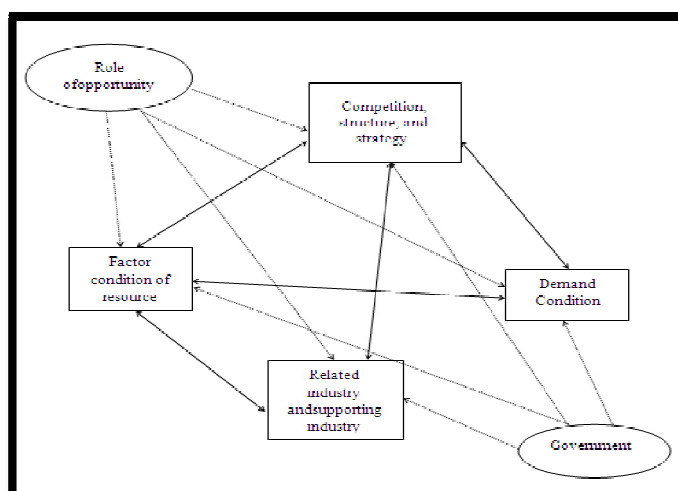


Figure 2: "The National Diamond System"
Source : Michael E. Porter. 2007

Information : \longleftrightarrow : shows the relationship between the main components.
 $\cdots\rightarrow$: show the relationship between additional components to the main component.

The condition factors (factor conditions) refer to inputs used as production factors, such as labor, natural resources, capital and infrastructure. Demand conditions refer to the availability of a domestic market that is ready to play an important element in generating competitiveness. Related industries and related and supporting industries focus on the availability of a series and strong linkages between supporting industries and companies. Corporate strategy, structure and competition (firm strategy, structure and rivalry) refers to the strategies and structures that exist in most companies and the intensity of competition in certain companies. Porter (2007) also adds another factor, namely the role of government and chance which is said to have an important role in creating National Competitive Advantage (NCA).

Various researches related to the competitive advantage analysis and development of batik culture which had been done initially by Indrowarjo, Baroto Tavip in 2008 who firstly consider the development of batik design. This researcher inspired the designs of batik to have bigger opportunity and later on to be developed more accordingly to the recent theme and followed to the customer taste. Second researcher named Nayantakaningtyas, Jauhar Samudra, et al in 2012 examined the competitiveness and development strategy of palm oil in Indonesia. The third researcher, Byun, Jeogeun, et al in 2016 intended to compare the international competitiveness in service industry of Korea, America, England, and Japan. The result of research aimed to encourage the service industry in Korea. The newest input and output table is used as statistics and then altered to a reference for a competitiveness analysis.

This research aims to analyze the competitive advantage of batik of Indonesia in Batik Jokotole Collection in international market and finds the method to improve the competitiveness value. For Batik Jokotole Collection particularly the manager of export division is hopefully to be able to give solution of the company's problem to face the global competition and then is cased up into the development of managerial frameworks, to improve the performance of export marketing in considering and formulating the decision of exact strategies appropriately to the company's purpose, as a superior product to be able to keep competing in global market and to bring the company's aspiration into reality to keep on preserving the cultural heritage of Indonesia especially the culture of batik.

3. Results

3.1. Expose the General Conditions of the Micro Small and Medium Enterprises (MSMEs) Jokotole Collection

Indonesian batik as a world cultural heritage. This momentum should be interpreted by all these countries to improve the lives of traditional batik artisans and laborers. In addition to being the most famous cultural heritage of batik, it must also be able to become a people's economic leverage. Moreover, many regions began to develop the Batik industry with typical regional motifs including the City of Bangkalan East Java. Starting from the worry of the fate of Madura batik artisans in the area that almost went bankrupt, the owner of the Jokotole Collection MSMEs decided to go into this ancestral business until finally, the Jokotole Collection-made batik can now penetrate the export markets to four countries, namely Japan, Malaysia, China, and the USA. With the implementation of this ASEAN single market, the existing batik industry has the opportunity to freely enter the markets in other countries.

Country of Destination	Textile Strands	Amount of Sales
Malaysia	100 Textile	30 Kg (30.000 gram)
USA	130 Textile	39 Kg (39.000 gram)
Jepang	100 Textile	30 Kg (30.000 gram)
Cina	80 Textile	24 Kg (24.000 gram)

*Table 1: Data Collection of Batik Jokotole Collection Exports
Every One Month*

Source: Data Obtained From the Jokotole Collection

The Jokotole Collection Micro small and Medium Enterprises is not only profit oriented but uses a partnership model for batik MSMEs based on a partnership through a profit-sharing system to improve the living standards of batik artisans.

This profit sharing system provides equal opportunity for every craftsman to work and be involved in business ownership, through the profit sharing system craftsmen no longer get wages but profit sharing from each transaction made so that there is an increase in the living standards of craftsmen from the need to become business shareholders.

Jokotole Collection's batik is now able to penetrate the export markets to three countries in Asia, namely Japan, Malaysia, and China. Where success began in 2011. When batik artisans in Tanjung Bumi Village began to quiet orders because they were unable to compete with imported batik and another local batik. Based on this matter, the jokotole collection took the initiative to start a business by gathering artisans in the Bangkalan area to re-batik with their own capital. The origin of the name of this MSMEs is called Jokotole Collection, which is taken from the name of the Madura Jokotole region hero who hopes that this batik business will benefit and save the lives of the people. There are two types of batik produced by Jokotole, namely Madura batik and gentongan batik which are more expensive. Initially, there were 22 people to date to 112 Jokotole batik artisans.

In the beginning, building a batik business in rural areas was not easy. Competition in the batik market is quite tight because, in addition to having to compete with other Madurese original batiks, the owners also have to compete with batik products from other regions, even imported batik from China. But by doing promotions everywhere, Jokotole batik was finally received slowly by the market. Orders begin to increase little by little. This batik business is growing when in 2014,

the owner was selected as an Entrepreneur who was assisted by Bank Indonesia (WUBI). Jokotole Batik is getting more orders because BI provides assistance in terms of promotions.

4. Discussions

4.1. Results of Analysis of the Competitiveness of the Jokotole Collection

Competitiveness is one of the criteria that determines the success of a country in international trade. Refers to the ability of a country to market products that the country has produced relative to the capabilities of other countries. The IMD World Competitiveness Yearbook (WCY) is a report on state competitiveness published since 1989. Based on the world competitiveness rating agency, IMD World Competitiveness 2018 Yearbook, Indonesia's competitiveness ranks 42 out of 63 countries. The position of competitiveness proves that there are many things that need to be improved in this country. As a country with a land area of 1.9 million square kilometers and an area of more than 3.2 million square kilometers, and its vast natural wealth, it is unfortunate that Indonesia's competitiveness is far below that of neighboring countries.

Jokotole Collection has the concept of competitive advantage first developed by Michael Porter including; Resource factors (factor condition of resource) and demand conditions (demand conditions) which have the purpose of strengthening competitiveness in the International market by supporting promotions and publications. As research conducted by Kotabe (2016) argues that building a competitive advantage is with potential resources. In line with the research of Musyarofah (2016) which states that demand conditions are characteristic of domestic market demand for industrial goods and services. Supporting and related industries, as well as competition, firm strategy, structure and rivalry, are incorporated into the Jokotole Collection market strategy to approach competitive markets with the aim of developing and expanding supporting industries such as newcomers from the industry batik export. In line with the research conducted by Tjiptono (2008) also states that outward-oriented strategies can provide greater opportunities and benefits for business activities. These four attributes are supported by the chance and chance of government in increasing industrial competitiveness. nationally, and together form a system known as the "national diamond".

The results of Berlian Porter's system analysis are seen in the interrelationships between the main components and the supporting components. The linkages between the main components of the Berlian Porter system in the Micro small and Medium Enterprises Jokotole Collection can be seen in the following table:

Component A	Component B	Relevance between Components	Explanation
Competition, structure, and strategy.	Factor condition of resource	Mutual Support	Based on the research that has been done, it shows that scientific and technological resources support the promotion strategies and publications carried out for product development, especially the local wisdom of Indonesian Batik, especially the MSMEs Jokotole Collection batik industry.
Competition, structure, and strategy.	Related industry and supporting industry	Mutual Support	The market structure of MSMEs in Jokotole Collection is close to the competitive market, which has led to the development of supporting industries such as the new batik exporter industry in Bangkalan.
Competition, structure, and strategy.	Demand Condition	Mutual Support	The increase in domestic batik consumption can still be met by the production of the MSMEs Jokotole Collection. There is a superior product strategy of batik that uses the best quality premium batik, as well as batik designs for each buyer so that the MSMEs Jokotole Collection is able to compete.
Factor condition of resource	Related industry and supporting industry	Mutual Support	Based on the research produced so far, the condition of the resource factor has been able to support related industries and supporting industries. One of them is in fulfilling raw materials for the batik production process. However, the batik industry still relies on sunlight in the drying process and cannot be replaced with other methods. So that new technology is needed so that the production process can run faster and not depend on the weather. In addition, there are other obstacles for one batik maker, there is one obstacle that is beyond logical reasoning, where when someone dies around the area it can cause a failure in the batik process, both in terms of coloring and batik.
Factor condition of resource	Demand Condition	Mutual Support	The conditions of the resources and local wisdom of batik make Indonesia especially Jokotole Collection an exporter of good quality batik that can meet the demands of customers from both domestic and foreign countries.
Demand Condition	Related industry and supporting industry	Mutual Support	Related industries and supporting industries have been able to meet the demand of local markets and international markets.

Table 2: Relevance Table between Main Components of Porter's Diamond System

Figure 2: Table Relevance Table between Main Components of Porter's Diamond System

The relevance between main component and supporting component is thoroughly supporting each other. It is indicated from the role of government and opportunity to exhibit the competitive advantage of MSMEs Batik Jokotole Collection much better. The relevance between the main component and supporting component could be seen from this table:

Supporting Component	Main Component	Relevance Between Components	Explanation
Government Role	Factor condition of resource	Supporting	The government helped to promote batik from the MSMEs Jokotole Collection.
	Related industry and supporting industry	Supporting	The existence of a strong exporter program organized by the government and assistance from Bank Indonesia to increase export quantity.
	Demand Condition	Supporting	Providing policies to increase and expand exports.
	Competition, structure, and strategy	Supporting	Providing exhibition facilities outside and within the country. Support for promotions and publications.
Role of opportunity	Condition of resource factor	Supporting	Indonesian indigenous cultural batik has local wisdom that makes batik producers, especially Jokotole Collection, easily develop the batik industry.
	Related industry and supporting industry	Supporting	In China and India there are also exporters of batik, but in high quality and quantity, Indonesia is still high. Because Indonesia gets raw materials and batik craftsmen easily. And, the craftsmen are quite experienced in making batik.
	Demand Condition	Supporting	Jokotole Collection has regular customers from America, Japan, Africa, and Malaysia. One way to maintain American customers is by producing batik Ready to wear. Besides that, from Japan, the preferred use of natural colors also has problems, especially in the form of very limited color variations and the availability of materials that are not ready to use, so special processes are needed to be used as natural coloring solutions.
	Competition, structure, and strategy	Supporting	More emphasized is that Jokotole Collection batik products are not just selling batik because batik is clearly the same but we sell knowledge products so this is what makes Jokotole Collection better known.

Table 3: Relevance Table between Main Component and Supporting Component

Figure 3: Table Relevance table between Main Component and Supporting Component .To increase the volume of trade requires a real effort to expand the marketing area of batik, both domestically and abroad. Demand conditions have been able to meet local market demand and international markets and are supported by related industries. The condition of the resources and local wisdom factor makes Jokotole Collection batik a premium batik that is of good quality so that it can meet the demands of customers from inside and outside. So far, the condition of resource factors has been able to support related industries and supporting industries. One of them is in fulfilling raw materials for the batik production process.

The advantage of competitiveness is a combination of the many creatures in the company in designing, producing, marketing and supporting other products. The strategy carried out by the Jokotole Collection in facing global competition is to innovate. The innovation that is done is by increasing the motif of batik design. Keep abreast of the times of global culture. Maintain packaging quality and distributors in terms of time.

Jokotole Collection is a small and medium-sized business engaged in producing Batik and has been marketed to several countries. In the globalization era, the Batik Jokotole Collection experienced obstacles, namely not being able to produce in high quantity and shorter production time, thus not being able to meet buyers' demands to the full. This could threaten Jokotole Collection to compete with other exporters. From year to year, the number of competitors is increasing, moreover, it is known that there is some global competition, one of which is when the exhibition is taking place there are some visitors who come from other countries. From the research findings, it was known that there were some visitors who only held and saw, surely the next day there were batik fabrics with the same motifs and colors sold at very cheap prices.

The dynamics faced by MSME Jokotole Collection require an analysis of competitiveness and new strategies to improve competitiveness in the international market.

5. Conclusion

Based on the research that has been explained, it can be concluded that the Batik products from Jokotole Collection have a competitive advantage that can maintain the local wisdom of batik in the international business arena. Can you see the results of the Diamond Porter theory analysis the interrelationship between the main components of the Berlian Porter system supports each other. In the future, the development of Jokotole Collection batik will become more productive and further enhance the batik trading industry, especially batik is one of the mainstay products from Indonesia. By utilizing online media facilities to the fullest, batik sales products will increase and are known both locally and internationally. However, the Jokotole Collection is still relying on sunlight in the process of drying batik. Therefore, new technology is needed to advance the production process more smoothly and faster without depending on the weather. To develop and enhance the competitiveness of batik in the Jokotole Collection MSMEs must implement several strategies to expand the market by expanding market share and strengthening relations with customers from abroad.

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