
**THE STUDY ON THE MARKETING MIX DEVELOPMENT STRATEGY
ANALYSIS OF CREATIVE INDUSTRY SME-BASED IN DEPOK WEST
JAVA**

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ABSTRACT

The study on the Marketing Mix Development Strategy Analysis of Creative Industry SME-Based in Depok West Java aimed to analysis the marketing strategy in the effort to develop the creative industry SME performance. The methods used in this study were : at first, the qualitative and quantitative descriptive analysis; the second, conducting direct interview and the questionnaire filling by the creative economic industry actors; the third, SWOT analysis. The study results by the SWOT analysis method from the IFAS assessment was 2,87 and EFAS was 1,94. So, the position from the SWOT diagram was Growth, namely using the SO(Strength Opportunities) strategy by improving the marketing mix performance by the more attractive product quality improvement, appropriate brand selection, utilizing the modern technology for the promotion activity (on line selling), actively participating regional or international exhibition to promote the products resulted.

Keywords: Creative Economic Industry, Marketing Mix Strategy, SWOT

I. INTRODUCTION

The creative industry is one of the business fields having real contribution to the economics and being able to create the work employment, also arising many new business chances for the actors in this case are SMEs. As the illustration, it has the GDB (Gross Domestic Product) of 104,787 trillion rupiah namely 5,67% from the National GDB.

While the Creative Industry in Depok City West Java has given the real contribution and tended to increase from year to year, namely on 2011 Rp.2.124.771,51 on 2012 Rp.2.381.641,83 and on 2013 Rp.2.727.987,34 increasing from 12% to be 14,5 % this increase is still optimistic to be able to be continually stimulated by the active contribution from 3 creative industry actors, namely government, intellectual and businessmen.

In Indonesia, if referring to the legislation in force, the term used is the Creative Economics, namely skills, and individual interest to create the creative and individual creation with economical value and affect on the Indonesian community prosperity (Instruction of President Number 6 of 2009 Concerning the Creative Economics Development).

The Creative Industry Mapping Study which has been conducted by the Department of Trade of Republic of Indonesia on 2008, adopted the creative industry definition from UK DCMS Task Force 1998 so that the creative industry in Indonesia can be defined as : “The industry coming from the creativity, skills, as well as individual interest use to create the prosperity and as well as the work employment by the creation and use of creative and individual creation powers”.

Based on the definition, the Department of Trade in the study grouped and set 14 economic activities categorized as the Creative Industry.

Table1.
Types of Creative Industry in Indonesia

No.	Type of Industry	Note
1	Advertisement	The creative activity related to the advertisement product and creation, among others are market research, advertisement communication planning, outdoor advertisement, advertisement material production, ,public relation campaign, advertisement presentation at the printed and electronic medias.
2	Architecture	The creative activity related to the building blue print and production information, among others : garden architecture, city planning, construction cost planning, inherited building conservation, auction documentation, etc.
3	Art and Antique market	The creative activity related to the creation and trade, work, antiques and jewellery by auction, gallery, shops, supermarket and internet.
4	Craft	The creative activity related to the creation and distribution of the handicraft made of :jewellery, accessories, goldsmith, silver, stone, <u>glass, porcelain, fabric, marble, limestone and iron.</u>
5	Design	The creative activity related to the graphical design creation, product, <u>industry, packaging, and company identity consultation.</u>
6	Fashion Design	The creative activity related to the cloth design creation, footwear design and other model accessories design, mode cloth production and its accessories, consultation of fashion product line, as well as fashion product distribution.
7	Video, Movie and Photography	The creative activity related to the production creation of video, movie and photography service, as well as the video and movie record distribution. Including the scrip writing, movie dubbing, cinematography, and movie exhibition.
8	Interactive Games	The creative activity related to the creation, production and distribution of computer game and video as the entertainment, ability and education
9	Music	The creative activity related to the creation, production, and retail of sound records, record copy right, music promotion, lyric writer, song or music writer, music show, and music composition.
10	Performing Arts	The creative activity related to the business related to the content development, show production, ballet show, traditional dances, contemporary dances, drama, traditional music, theatre music, opera as well as ethnic music.
11	Publication & Printing	The creative activity related to the content writing and publication of book, journal, newspaper, magazine, tabloid and digital content as well as the news office activity.

12	Computer and Software Services	The creative activity related to the information technology development including the computer services, software development, system integration, design and analysis system, software and hardware architecture design as well as portal design.
13	Television and radio	The creative activity related to the creation business, production and packaging, broadcasting as well as television and radio transmission.
14	Research and Development	The creative activity related to the innovative business offering the science and technology invention as well as science and technology application for the product improvement and new product creation, new process, new material, new tools, new method and new technology which can meet the market demand.

Source :Department of Trade RI

The creative industry-based Small Medium and Micro Effort (SME) is one of the business groups placing the innovation and creation as the motor driver for the activities. With various limitations and challenges, SMEs today has grown into a creative industry with a diverse product based on the character and potential of each region (batik in Yogyakarta area, *ikat* in Klaten and NTT, transistor radio in Temanggung, *edamame* soybeans in Jember). Local products have now grown and have a strong competitiveness in the global market.

It is a reality that until now the creative industry business- based is still faced with many challenges. According to Ratih Kusumaning Esti & Dinie Suryani (2008), some of these challenges are: *First, the regulation*. Until now, there have been no detailed rules concerning the copyright protection of creative industry actors. *Second, the capital*. The creative industries are less being attracted by the banking sector because of no guarantees. Until now there is no guarantee institution for the industry to obtain the financing from banks. *Third, marketing management such as price and quality*. The quality of the creative industries is often inconsistent such as the packaging based on the quality standards. Imprecision in fulfilling orders, especially in large quantities and in a short time are also the obstacles. This is because most creative industry actors do still not optimally pay attention to the marketing role which is less considered by management.

2. LITERATURE STUDY

Referring to some pervious studies on the creative industry development policies given by local government in common, these are yet conducted optimally. The study conducted byTogarM.Simatupanget.al. state that various policies given are constrained by may factors, among other, supporting infrastructure, sustainable development program and law enforcement as the government task, the intellectual role in giving the theory education and the capital owner role for the intensity as the financier.

Furthermore, the research by Hesti Pusparini stated that in order to obtain optimal results in the creative industry development, it is necessary for the collaboration of 3 (three) actors who play the active role namely the governments, intellectuals actors and the businessmen.

The Creative Economy study conducted by the United Nations Conference of Trade and Development (UNCTAD) in 2010, further elaborated as the following:

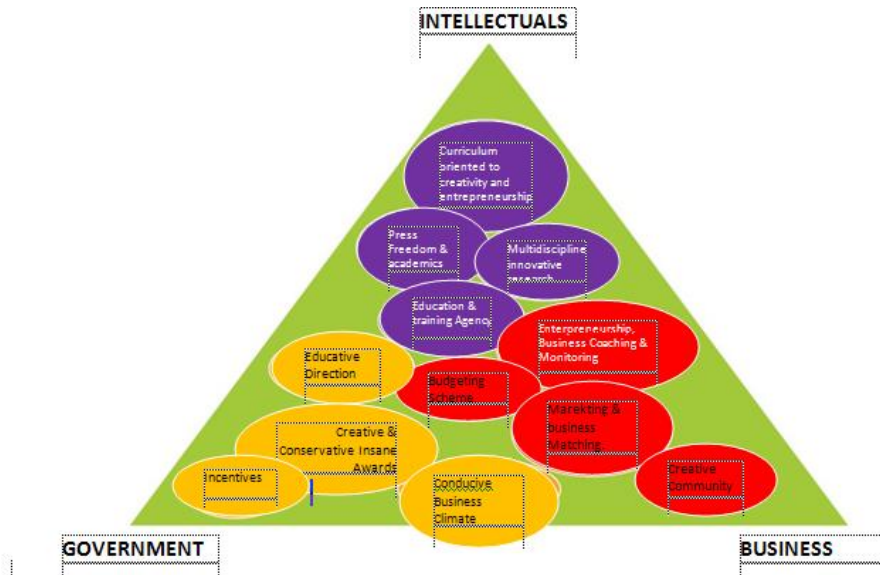
- a. Encouraging the increasing-g incomes, job creation and export earnings while promoting the social awareness, cultural diversity, and human resource development
- b. Including the social, economic and cultural development of technology. Intellectual property rights and tourism
- c. A knowledge-based set of economic activity with the development dimension and cross-sector linkages at the micro and macro economic level as a whole
- d. A choice of development strategy requiring the cross-ministerial action and innovative as well multi-disciplinary policy in the heart of the creative economy in the creative industries

Alvin Toffler (1980) in his theory conducted the economic civilization wave distribution into three waves; the first wave is known as the agricultural economy wave, the second wave is the industrial economy wave, the third is the information economy, the fourth is known as the creative economy wave oriented to the ideas and creative ideas.

The creative economy and creative industry concepts start to be used as the footstool of the economy pillar expected to strengthen the economy. Through the Ministry of Trade of the Republic of Indonesia, Dr. Mari Elka Pangestu in 2006 launched the Power Design Indonesia Program in its ranks, a government program expected to improve the Indonesian product competitiveness in the domestic market as well as the global markets. The program continued with the introduction in 2009 through the Presidential Decree No. 06/2009 as the Indonesian Creative Year by President Susilo Bambang Yudhoyono marked with the Creative Exhibition activities involving 14 creative industry sub-sectors, namely:

The Collaboration of 3 (three) actors in the Creative Industries, known as the TRIPLE HELIX will work together in supporting the creative industry activities based on their respective roles.

Figure 1. Triple Helix Pyramid



Source: Department of Trade RI

1. The Intellectual (Academic) Role: as an agent of spreading the ideas and applying the science, art, and technology, as well as creating the value for the creative industry development related to the new activity creation which has the bargaining power to the market and creative human formation. In his work a.1 prepares a curriculum has the orientation to the creative industries and provides direction instructive.

2. The businessman: as an entrepreneur, investor and creator of new technology as well as the creative industry customers. The roles include the product creator and creative service, new markets which can absorb the products and services produced. Other role is forming the communities and creative entrepreneur. The business can be based on the manufacturing, services, retail and distribution, agriculture, mineral, financial, information, real estate, transportation and utilities such as electricity, water.

3. The Government Roles: meant by the government is the central government, provincial government and district / city governments. The roles are, *first*, as the facilitator and advocacy giving the encouragement and stimulation so that ideas can develop. *Second*, as the regulator which produces the regulation so as to create a space and a favourable climate. The government involvement in the creative industry development is necessary by the good local autonomy development, the law and regulation enforcement, by the good governance principles (participation, law enforcement, transparency, supervision) The Creative industry progress is influenced by its location (synonymous to the decentralization), tolerance (the creative mindset synonymous to the democracy)

A. Study Goals

Analyzing the most appropriate marketing strategy for the SME creative industry development by using SWOT analysis technique by conducting the internal analysis (*Strength, Weaknesses*) and external analysis (*Opportunities, Threat*).in Depok West Java.

B. Study Benefits

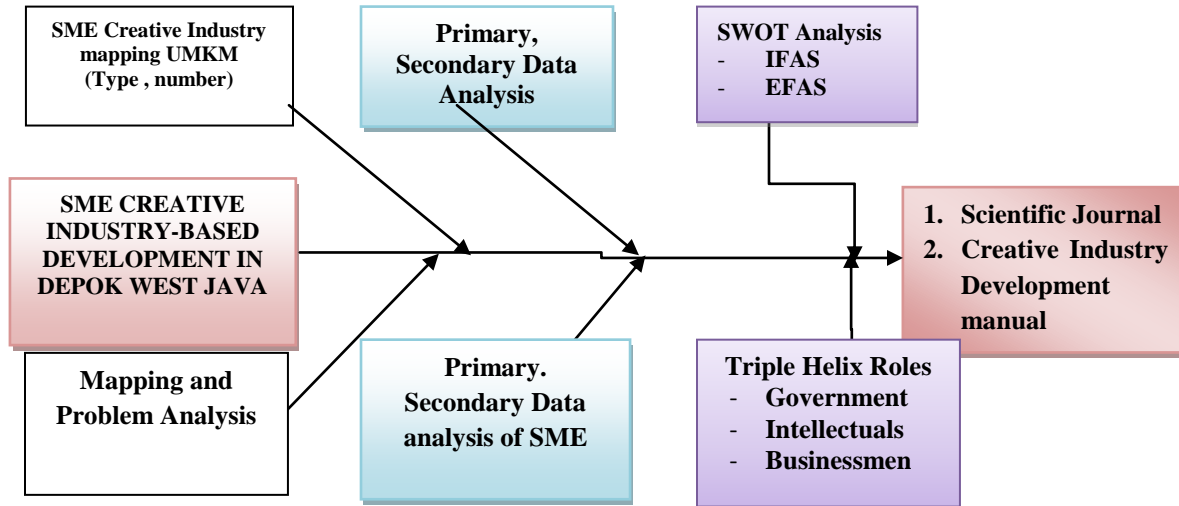
For the City Government of Depok, this study results can be used as the guidance to develop the creative industry in Depok, West Java.

3. STUDY METHOD

SWOT Analysis

“According to Kotler Philip(2008) the SWOT analysis is the evaluation form considering the strength, weakness, chance and threat in the company”.

According to Rangkuti (2008) SWOT analysis is to compare between the external factors, namely the *opportunities* and *threats* with the internal factors, namely the *strength* and *weaknesses*.

Figure4 Study Flow Chart

The design of this study uses a qualitative descriptive method. The qualitative descriptive method is used to collect the information about the current real condition / ongoing one. The main purpose of using this method is to define the nature of an ongoing condition when the research is in progress and check the causes of a certain symptom (Travers, 1978, 1976 Gay in Sevilla, Consuelo G., 1993). While the qualitative method aims to produce the data and information from the study or observed object (Moleong, LexymJ., 2010.).

In this study, both methods are used to map or describe the SMEs' characteristics in particular in the creative industry field. Furthermore, the data are analyzed, discussed and presented based on the discussion topics.

The data used in this study are primary and secondary data. The primary data were obtained by the structured interviews using the questionnaires from the selected persons, namely, the SMEs' staffs Depok, the SME board and the actors involved in SMEs. As for the secondary data, they are obtained from the written sources with the relevant topics, annual reports, research results, journals and books related to the substance of the study. The data sources are the Department of SME Depok BAPPEDA Depok, West Java and from the Internet.

2. The data collection Methods

a. Interview

The interview aims to get a clear description from the executives in each unit concerning the business processes in each unit, the problems with the existing system.

b. Questionnaires

Distributing questionnaires aim to get the current conditions of the existing information systems in all work units, here it is asked the information about the information system used / never used, how the data processing running is, the condition of possessed hardware, the network conditions in each unit, HR having the computer capability and a variety of other things which have the correlation.

c. Literature Study

The literature study aims to get the clear description of the creative industry development plans in Depok, West Java.

d. Direct observation

The researchers observe directly at several institutions in Depok, West Java in implementing the business processes and transactions as well as the service to the community.

3. Sample Determination

a. Population and sample

The population in this research is the creative industrial SMEs in Depok, West Java, the data recorded in the data center of SME Depok, West Java is to 170 SMEs.

b. Samples

The respondent sample selection is conducted randomly taken based on the stratified random sampling technique. The number of samples is set by the quota of 20% proportionally by 34 respondents.

4. RESULTS AND DISCUSSION

SWOT Analysis

The internal analysis is conducted to make the IFAS (*Internal Factory Analysis Summary*) matrix and to make the EFAS (*External Factory Analysis Summary*). After knowing the value results from the IFAS and EFAS matrixes, so it can be positioned the company from the values of IFAS and EFAS matrixes at the SWOT Analysis.

1. Internal Analysis

- a. *Strength*: Affordable Sales prices, Product Quality, Good and Variety innovation , Having Fixed consumers ,Strong raw materials.
- b. *Weaknesses* : Limited Capital, Less use the social media, Limited Intellectual role, Difficulty in obtaining the raw materials, Less understanding on the marketing theory, Not yet maximal employees ,Less maximal government support.

Table 3 IFAS (*Internal Factory Analysis Summary*)

No	Internal strategy factors	Weight	Rate	Weight x Rate
STRENGTHS				
1	Affordable Sales prices	0.148	4.0	0.591
2	Product Quality	0.102	2.8	0.280
3	Good and Variety innovation	0.108	2.9	0.314
4	Having Fixed consumers	0.110	3.0	0.325
5	Strong raw materials.	0.108	2.9	0.314
	SubTotal	0.575		1.825
WEAKNESSES				
1	Limited Capital	0.041	1.1	0.046
2	Less use the social media			
3	Limited Intellectual role	0.107	2.9	0.309
4	Difficulty in obtaining the raw materials	0.074	2.0	0.150
5	Less understanding on the marketing theory	0.109	3.0	0.320
6	Not yet maximal employees	0.058	1.6	0.092
	SubTotal	0.428		0.959
	Total	1.00		2.78

2. External Analysis

- a. Opportunities : Modern technology use ,Joining Events, Cooperate with Academics, Depok City Government support ,New product development
- b. Threats: Fluctuating raw material price, the increasing employee salary, More creative and innovative competitor promotion ,The increasing Fuel price, Imported product competition

Table 4 EFAS (*External Factory Analysis Summary*)

No	Internal strategy factors	Weight	Rate	Weight x Rate
OPPORTUNITIES				
1	Modern technology use as the promotion media	0.075	1.0	0.075
2	Joining Events	0.110	1.5	0.162
3	Cooperate with Academics	0.233	3.1	0.722
4	Depok City Government support	0.160	2.1	0.342
Sub Total		0.578		1.300
THREATS				
1	Fluctuating raw material price	0.133	1.8	0.234
2	More creative and innovative competitor promotion	0.139	1.9	0.257
3	The increasing employee salary	0.075	1.0	0.075
4	Imported product competition	0.075	1.0	0.075
Sub Total		0.422		0.642
Total		1.00		1.942

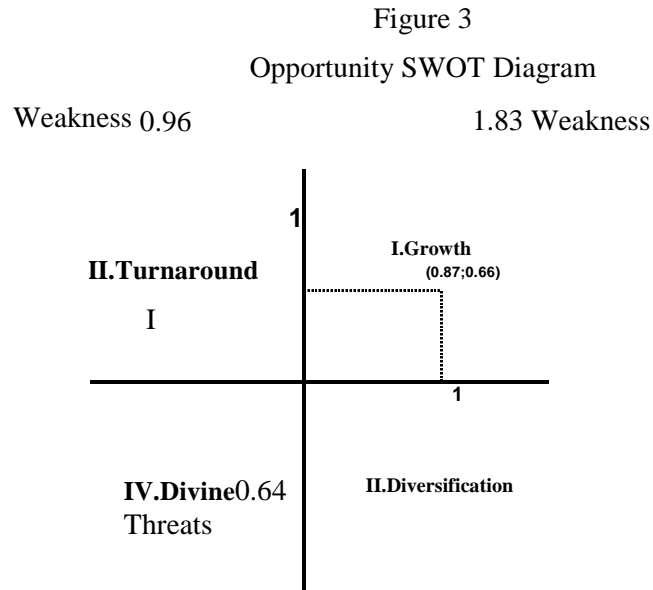
Processed Data Sources

SWOT Analysis Diagram

From the IFAS (*Internal Factory Analysis Summary*) table and EFAS (*External Factory Analysis Summary*) table, it is obtained the value of each factor, among others are:

- a. The *Strength* factor : 1.83
- b. The *weakness* factor : 0.96
- c. The *opportunities* factor : 1.30
- d. The *threat* factor : 0.64

Based on the calculation results above, that the strength value is higher than the weakness value namely $1.83 - 0.96 = (+)0.87$ and the opportunity value is higher than the threat one namely $1.30 - 0.64 = (+)0.66$, so it can be seen from the following SOWT Diagram.



SWOT Diagram

In the graph above diagram, it can be explained that the creative industries in Depok, West Java is in a growth area which must conduct the development strategy by increasing the triple helix role in their respective functions as the following.

1. The intellectual group, has the role to explore the marketing mix performance potential among others to provide the guidance and direction of educational product development, more attractive brand, more intensive distribution and more aggressive promotion.
2. The government, in this case, is the government of Depok has an important role to create the supporting business climate to facilitate the creative industry development through the assistance for institutional strengthening, soft loans through the state banks, the organized creative industry exhibition on a regular basis as the effort to form a creative industrial product image which is typical of Depok City; facilitate the participation of SMEs in any exhibitions nationally and internationally; Develop the creative industry clusters to facilitate the assistance and can also be directed as a creative economic product bags in answering the market demand.
3. The Businessman can optimize the creative economy potential by building the partnerships by giving the capital resource for SMEs.

Table 6 SWOT Matrix of Creative Industry

IFAS	Strength(S)	Weaknesses(W)
	<ol style="list-style-type: none"> 1) Affordable Sales prices 2) Product Quality 3) Good and Variety innovation 4) Having Fixed consumers <p>Strong raw materials.</p>	<ol style="list-style-type: none"> 1) Limited Capital 2) Less use the social media 3) Limited Intellectual role 4) Difficulty in obtaining the raw materials 5) Less understanding on the marketing theory 6) Not yet maximal employees 7) Less maximal government, intellectual and businessman support
Opportunities(O)	Strategy SO	Strategy WO
<ol style="list-style-type: none"> 1. Modern technology use as the <i>online</i> sales promotion 2. Joining events, both domestic and international 3. Increasing the <i>Triple helix</i> role. 4. Development 	<ol style="list-style-type: none"> 1. Increasing the product excellence such as the strong raw materials, more variety innovation. 2. Joining events, both domestic and international to promote their products. 3. Increasing the Triple helix performance collaboration. 4. Utilizing the marketing mix strategy 	<ol style="list-style-type: none"> 1. Making website and other links as the promotion medias. 2. Looking for the business partners so that can develop the business. 3. Online Selling 4. Enhance advertisement promotion link to all of Indonesia areas as the effort to reach the goals. 5. Looking for the supports from the government so that it gives more attention to the craft industry and re-active the existing group.

<i>Threat (T)</i>	<i>Strategy ST</i>	<i>Strategy WT</i>
1) Fluctuating raw material price	1. Increasing the product quality	1. Conducting the skill training to increase the employee skills.
2) More creative and innovative competitor promotion	2. Maintaining the relatively cheap price compared to other competitors.	2. Conducting the raw material stock so that it will reduce the transportation costs.
3) The increasing, the increasing employee salary	3. Increasing the cooperation of the group and the government as well as the collectors.	3. Looking for the relation with related parties such as the government so that will know the product from other countries.
4) Imported product competition	4. Making the products in big scale so that it will save the production cost.	4. Looking for the fund lending or making any cooperation with the investors.

From the table above, the appropriate strategy at the creative industry is the SO strategy namely it is used the strength and use the opportunity at the industry, namely by:

1. Increasing the product excellence such as the strong raw materials, more variety innovation.
2. Joining events, both domestic and international to promote their products.
3. Increasing the Triple helix performance collaboration (government, intellectual and businessman).
4. Utilizing the marketing mix strategy

5. CONCLUSION

From the results conducted at the SWOT (*Strength, Weakness, Opportunities, Threat*) analysis, it is obtained the following:

1. From the study results at the IFAS (*Internal Strategic Factor Analysis Summary*) table, the weighting score is 2.78 and for the EFAS (*External Strategic Factor Analysis Summary*) table, the weighting score is 1.94. Based on the analysis results of the industry internal and external factors as well as the SWOT diagram, it is obtained that the main strategy in the creative industry is the strategy of *Growth*, where the creative industry can increase the marketing mix performance (product excellence, quality owned and promotion utilization which develops better.
2. From the SWOT analysis, the strategy used is the SO strategy model namely the strategy using *Strength* as utilizing the *Opportunities* owned by the creative industry, namely increasing the marketing mix performance by the strong raw materials, more variety innovation; Joining events, both domestic and international to promote their products; increasing the cooperation with the intellectuals, and government in their respective roles.
3. The creative industry SME must see the existing opportunities, so that they can maintain the strength owned as well as must be able to utilize the existing opportunity potential.

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