

THE EMPOWERMENT OF BATIK ARTISANS IN KAMPUNG BATIK MEDAN

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ABSTRACT

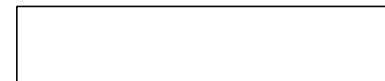
The purpose of this study is to find out the obstacles faced by batik artisans in developing the Medan batik and to find out the right strategy in developing the batik industry in Kampung Batik Medan. Data collection technique uses interview, questionnarre and observation to the informants which consist of Medan Dekranasda, the Department of Industry and Trade, the Department of Cooperatives and SMEs, and 3 Medan batik industry artisans This type of research is a qualitative descriptive method uses the SWOT analysis to measure the internal and external environment and obtain the strategy needed in developing batik industry in Kampung Batik Medan.. The results showed that there are some obstacles faced by batik artisans namely lack of capital, lack of cooperation with stakeholders, lack of tools and materials, low entrepreneurial spirit and motivation in running business, and lack of competency in business management. and the right strategy to develop batik industry in Kampung Batik Medan is the growth strategy by improve product quality through innovation and creativity, add new models derivative products, enter new market segments, increase coverage and enter new distribution channel, switching the promotion, uses direct and online marketing, establish cooperation with both private and government agencies, and cooperation with financial institution and the State Owned Enterprises business sector through CSR programs.

Keywords : Strategic; Management; SWOT Analysis; Batik Artisans

(<https://www.cnnindonesia.com/ekonomi/>).

Introduction

Small, medium and small businesses (MSMEs) play a large role in increasing GDP by creating small and medium industries that are expected to help achieve better and fairer economic conditions for the people of Indonesia. The Ministry of Cooperatives and SMEs shows that the contribution of the SME sector increased from around 57% to 60.3%. Not only that, the MSME sector also helps employ domestic workers. Employment absorption in the SME sector has increased from around 95% to 97%.



Each region has the potential to empower the surrounding community. In this case, the role of the government is very important as a facilitator and mediator in exploring the potential in the regions. The existence of the regional autonomy law has implications for local governments to be able to increase the role of the regions in carrying out development in order to improve the welfare of the community (Tamaya

V, et al, 2013).

Medan has a lot of potential in the form of culture, tourism, and a good geographical location. In terms of culture, Medan has a tortoise dance and also ulos which is a characteristic of North Sumatra products. At present Medan not only produces ulos but also produces batik with the characteristic of North Sumatra known as the batik village. The emergence of batik artisans, after giving batik training from parties who care about the progress of society. Now, there are batik entrepreneurs that are dominated by housewives and teenagers.

Batik motifs in North Sumatra follow the cultural characteristics that exist in the region such as the maimun palace motif, mosque, bamboo shoot motif, succeeded in stealing the attention and become a destination area for the wider community.

(<https://www.cendananews.com>)

Based on the results of an interview with Edy Gunawan, one of the batik business owners, he explained that people are interested in making batik because they are considered unique. Because of his interest, he tries to make his own batik business. His business is growing, where the production capacity that can be produced is more than 505 pieces of batik per month, with a number of workers that are relatively sufficient to be able to produce it. After being produced, batik is sold through galleries and resold by producers who are interested in selling it. Besides that, there are many orders from customers / companies in the Medan and surrounding areas, with a price range of Rp. 130,000 - 175,000. ([https://peluangusaha.kontan.co.id/news/berburu-batik-medan-di-kampung Tembung](https://peluangusaha.kontan.co.id/news/berburu-batik-medan-di-kampung-Tembung))

One of the problems they experienced was that the raw materials for making batik such as candles and batik stamps were not produced in Medan, so the production process of making batik was slow and consumer demand was difficult to fulfill immediately. In addition, the price of raw materials and shipping costs are high because raw materials must be imported from

Java, making the selling price of batik more expensive. In addition, it is still difficult to get workers who are experts in making batik. As a result, many batik entrepreneurs must provide training to those who want to join, plus the circulation of printed batik with special motifs that are sold at competitive prices will increase sales competitiveness.

(<https://peluangusaha.kontan.co.id/news/berburu-batik-medan-di-kampung-tembung>).

The role of the government in this matter is certainly expected by batik artisans. So far, government support is still limited to exhibitions and simple training. Facilities in the form of funding are still very limited, because of the rules that must be fulfilled by batik artisans to get funding for the smooth running of their batik businesses.

In November 2018 a craft exhibition was held at Merdeka Walk, which was participated by 16 Regencies / Cities in North Sumatra. In this case the chairman of Dekranasda, Mrs. Hj. Rita Maharani Dzulmi Eldin stated that the exhibition and fashion show held were aimed at deeper socialization about Medan batik. (<https://www.cendananews.com/2018/11/batik-medan-liven-up-the-big-craft-sumatera-utara.html>).

Sudantoko (2012) examined the Strategy for Empowering Small Scale Batik Enterprises in Pekanbaru. Through the discussion of descriptive statistics and FGD with the speakers and experts / experts, the results obtained are that raw materials, labor, wood fuel influence the production of batik. The equipment and scale of the company affect the production of batik, the input / input runs inefficiently and there must be a strategy made by the company to make the company have access to credit, facilities, markets and technology.

This study aims to determine what obstacles are faced by batik artisans in improving the batik industry in the Medan batik village and to find out what the right strategy is in

developing the batik industry in the Medan batik village.

Problem statement

Based on the background above, the problem formulations in this study are:

- a. What constraints faced by batik artisans in improving the Medan batik industry?
- b. What is the right strategy to develop the batik industry in Kampung Batik Medan?

Study Objectives

The objectives of this study are:

1. To find out the constraints faced by batik artisans in improving the Medan batik industry.
2. To find out what strategy is right for developing the batik industry in Kampung Batik Medan.

Study Methodology

This research was conducted on batik entrepreneurs in Kampung Batik, Medan Tembung District, Medan. This research uses descriptive qualitative research through a phenomenological approach. According to Fraenkel (2012), qualitative research uses three main techniques to collect and analyze their daily activities and recording what they do; conducting in-depth interviews with people about their ideas, their opinions, and their experiences; and analyzing documents or other forms of communication (content analysis).

Phenomenology approach is an approach related to reality that seems to analyze the situation in it. The type of data in this study is primary data which data directly come from the informants namely Medan Dekranasda, the Department of Industry and Trade, the Department of Cooperatives and MSMEs, and three Medan Batik Artisans. Data collection techniques used were interviews by holding in depth interviews

with the informants. Interviews is done related to strength, weakness, opportunity and threatness of the batik industry. Besides, questionnaire is done through compile statements / statements that have been provided in accordance with the variables studied and must be filled by the informants due to strength, weakness, opportunity and threatness of the company. Questionnaire used has rating 1-4 to indicate trends of the of industrial condition. Observation is also done to the Batik Artisans by watching the activity of batik artisans in running their business such as their production process, financial statement, and marketing (online and offline marketing). Data analysis uses SWOT analysis with stages consist of data collection stage (collection of external and internal factors), IFAS and EFAS matrix analysis, IE matrix, and make conclusions about the right strategy in overcoming research problems.

Study Inquiry Questions

The operational definition of variables explains the research variables and the measurement scale of the variables. The operational definition of each variable is as follows:

1. Community empowerment is defined as a set of activities that provide reinforcement to people's lives, such as welfare and poverty. In terms of objectives, empowerment is defined as a condition that will be achieved in social life such as people who have skills and knowledge so that they can meet the economic, physiological, and socio-cultural needs that ultimately are able to participate in social life. (Suharto, 2005)
2. Strategy is a long-term goal to be achieved which includes diversification, expansion, product development, and joint ventures (joint ventures) involving

top management and production factors of the company. (David, 2011)

- SWOT analysis is an analysis tool to identify strategies that can be taken in achieving satisfactory services. This analysis describes how strengths and opportunities can be optimized, and weaknesses and threats can be minimized. Internal factors consist of human resources, finance, marketing, corporate culture. External factors consist of factors outside the organization such as competitors, customers, suppliers, government regulations, political and economic conditions. (Rangkuti, 2015),

Study Samples

The informants in this study were the Medan Dekranasda, the Department of Industry and Trade, the Department of Cooperatives and SMEs, and 3 Medan batik industry artisans.

The Result Of Study

Internal and External Factor Analysis

Internal and external factors are obtained through interview which has done to the informants consist of Medan Dekranasda, the Department of Industry and Trade, the Department of Cooperatives and SMEs, and 3 Medan batik industry artisans

Internal factors are factors that originate in the industrial environment in the form of strengths and weaknesses of Medan batik artisans, while external factors are factors originating from outside the industrial environment in the form of opportunities and threats.

The following Table 1 shows the internal factors of Medan batik artisans and Table 2 shows the external factors of Medan batik artisans

Table 1.
Internal Factors

No	Strength	Weakness
1	The existence of batik as a cultural heritage	Raw materials and batik equipment were imported from Java
2	The uniqueness of the product which has Batak characteristic	The limited number of batik craftsmen in terms of quality and quantity
3	The strategic location of the batik village	Low entrepreneurial spirit and motivation
4	Quality products consist of written batik and printed batik	Lack of capital
5	Has derivative products in the form of bags, wallets, shoes from batik	Requires a longer processing time, so requests are difficult to fulfill
6	Product marketing is done online and offline	Business management skills

Source: Processed Data (2019)

Table 2
External Factors

No	Opportunity	Threat
1	Public demand for batik is quite high	The emergence of new companies with

		similar products
2	Competitive selling prices	Competition with batik from Java
3	Export-oriented products	Supply of materials and batik equipment isn't stable
4	Government support in the form of exhibitions, events	The emergence of other types of batik product innovation
5	There is training for the development of batik craftsmen skills by the Industry Department	
6	Strong economic growth in Medan, making opportunities for the existence of products increased	

Source: Processed Data (2019)

Discussion

1. Calculation of Weight and Rating for IFAS and EFAS Matrix

Internal Factors Analysis Summary (IFAS) and External Factors Analysis Summary (EFAS) are used to find out how big the role of internal and external factors is in

the company. The IFAS matrix describes the company's internal condition which consist of strength and weakness calculated based on rating and weight. The EFAS matrix indicates the company's external condition which consist of opportunity and threatness.

The next step after factor identification is the calculation of weights and ratings which serve as the basis for determining the company's position in the business. It is important to know as a basis for the company to run a business strategy that is in accordance with company conditions (Wiagustini and Permatawati, 2015)

Table 3
Calculation of Weight and Rating for IFAS Matrix

No	Strength Factor	Amount	Rate	Weight %	Rate x Weight
1	The existence of batik as a cultural heritage	22	4	0.0965	0.386
2	The uniqueness of the product which has batak characteristics	24	4	0.1053	0.421
3	The strategic location of the kampung batik	22	4	0.0965	0.386
4	Quality products consist of written batik and printed batik	21	4	0.0921	0.368
5	Has derivative products in the form of bags, wallets, shoes	18	3	0.0789	0.237

	from batik				
6	Batik marketing is done online and offline	22	4	0.0965	0.386
Total strength score		129		0.566	2.18

6	Business management skills	18	3	0.0789	0.237
Total weakness score		101		0.443	1.118
Total (Strengths and Weaknesses)				1.00	3.303

Based on the results of the IFAS matrix analysis in Table 3, it shows that the main strength of the company is the uniqueness of the product which has batik characteristics, with the highest weighted value of 0.421. Batik motif has different model compared with batik from Java and other region in Indonesia, and it makes many people become enthusiastic to consume it. The main weakness of the batik industry is the lack of capital with the smallest weighted value of 0.123. Batik industry always has problem in capital because it is difficult for them have loan from government since they don't have enough knowledge for making financial statement in accordance with the requirement of financial institution. It makes they couldn't get loan from financial institution and it is always become the problem for industry until now. The total score of weighted value of IFAS is 3.303. It shows that Batik Industry in Kampung Batik Medan has strong position to overcome weakness of the company.

No	Weakness Factor	Amount	Rate	Weight %	Rate x Weight
1	Raw materials and batik equipment are come from Java	18	2	0.0789	0.158
2	The limited number of batik craftsmen in terms of quality and quantity	20	3	0.0877	0.263
3	Low entrepreneurial spirit and motivation	16	2	0.0702	0.140
4	Lack of capital	14	2	0.0614	0.123
5	Requires a longer processing time, so requests are difficult to fulfill	15	3	0.0658	0.197

Table 4
Calculation of Weight and Rating for EFAS Matrix

No	Opportunity Factor	Amount	Rate	Weight %	Rate x Weight
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1	Public demand for batik is quite high	22	4	0.108	0.433
2	Competitive selling prices	21	4	0.103	0.414
3	Export-oriented products	23	4	0.113	0.453
4	Government support in the form of exhibitions, events	18	3	0.089	0.266
5	There is training for the development of batik craftsmen skills by the industry department	22	4	0.108	0.433
6	Strong economic growth in Medan, making opportunities for the existence of products increases	22	4	0.108	0.433
Number of Opportunity scores		128		0.631	2.433

No	Threatness Factor	Amount	Rate	Weight %	Rate x Weight
1	The emergence of new companies with similar products	16	2	0.080	0.160
2	Competition with batik from Java	18	3	0.090	0.270
3	Supply of materials and batik	20	2	0.100	0.200

equipment isn't stable

4	The emergence of other types of batik product innovation	18	2	0.090	0.180
Total Threat score		72		0.360	0.810
Total (Opportunities and Threats)				1.000	3.243

Source: Processed Data (2019)

Based on the results of the EFAS matrix analysis in Table 4, it shows that the main opportunity of the company is export oriented product, with the highest weighted value of 0.453. Through in-depth interview and questionnaire have been done to the informants, they informed that the foreigners are interested in Indonesian batik since it has differentiation either in motif or the quality. Some of them has bought and order batik. It is big opportunity for batik artisans to be able to export their product to increase their income and also introduce Indonesian product to another country. The main threatness for the batik industry is the emergence of new companies with similar products with the smallest weighted value of 0.160. There are many companies in batik industry that produce batik right now and it means there are more competitors. It is important for making innovation and creativity in order to be able to survive in industry. The total score of weighted value of EFAS is 3.243. It shows that batik artisans has been able to respond external factors by utilizing opportunities to overcome threatness.

2. Matrix IE

From the calculation of IFAS and EFAS tables, the IFAS score is 3.303 and the score for EFAS is 3.243. When converted into the IE Matrix diagram, it is located in quadrant I, where the results of the company enter into the Growth Strategy. From the SWOT matrix, 4 main strategies can be compiled, namely S-O, W-O, S-T, and W-T.

- a. S-O Strategy (Strength – Opportunity)
This category contains various alternative strategies that take advantage of opportunities by utilizing their strengths / strengths.
- b. S-T Strategy (Strengths – Threats)
An alternative category of strategies that utilize strength to overcome threats.
- c. W-O Strategy (Weaknesses - Opportunities), namely alternative strategy that take advantage of opportunities to overcome weakness.
- d. W-T Strategy (Weakness-Threats)
This category contains strategies can be used to overcome weakness and threats.
These four strategies can be seen as follows:

Alternative Strategies SWOT ELEMENTS

1. Strength
 - a. Existence of batik as cultural heritage
 - b. The uniqueness of the product which has batik characteristics
 - c. The strategic location of the kampong batik
 - d. Quality products consist of written batik and printed batik

- e. Has derivative products in the form of bags, wallets, shoes from batik
 - f. Batik marketing is done by online and offline
2. Weakness
 - a. Raw materials and batik equipment are come from Java
 - b. The limited number of batik artisans in terms of quality and quantity
 - c. Low entrepreneurial spirit and motivation
 - d. Lack of capital
 - e. Requires a longer processing time, so requests are difficult to fulfill
 - f. Business management skill
 3. Opportunity
 - a. Public demand for batik is quite high
 - b. Competitive selling prices
 - c. Export-oriented products
 - d. Government support in the form of exhibitions, events
 - e. There is training for the development of batik craftsmen skills by the industry department
 - f. Strong economic growth in Medan, making opportunities for the existence of products is increases
 4. Threats
 - a. The emergence of new companies with similar products
 - b. Competition with batik from Java

- c. Supply of materials and batik equipment isn't stable.
- d. The emergence of other types of batik product innovation

materials through intense coordination with suppliers in Java

Source: Processed Data (2019)

From SWOT elements above, it can be made conclusion for alternative strategy i.e:

1. S – O Strategy
 - a. Develop another batik motifs to increase demand
 - b. Sales turnover can increase due to activerole government that helps in the form of batik marketing hold exhibition, events
 - c. It has high competitiveness because it is able to set competitive selling price
2. S-T Strategy
 - a. Medan batik artisans focus to product differentiation through the uniqueness of the batak motif to be able to compete with another batik
3. W-O Strategy
 - a. Increase cooperation with stakeholders such as related agencies. private parties, State Owned Enterprises, and the community to increase batik sales and obtain capital
 - b. Business management training to improve skills and managerial skills
4. W-T Strategy
 - a. Increase inventory of raw materials and supporting

Table 5
Calculation results from the IFAS and EFAS matrix

	IFAS	
EFAS	Strength: 2.18	Weakness: 1.118
Opportunity: 2.433	SO: 4.613	WO: 3.551
Threats: 0.810	ST: 2.99	WT: 1.928

Source: Processed Data (2019)

Alternative strategies are shown above and the values of the IFAS and EFAS is in table 5. It indicates that strengths are greater than weaknesses and opportunities are greater than threats then the company is in quadrant 1 with the strategy used is a growth strategy.

The following alternative strategies that can be used in the growth strategy:

- a. Improving product quality, adding the characteristics and motifs of batik through innovation and creativity.
- b. Add new models and derivative products (for example: batik of different sizes, women's products made from batik).
- c. Enter new market segments and keep coordinating with the industry department, dekranasda, to be able to introduce new products through MSME exhibitions and events, as well as training to improve the skills of batik craftsmen.

- d. Increase coverage and enter new distribution channels, which can be done through the presence of agents or resellers that accelerate the growth of sales volume and company profits.
- e. Switching from promotions that make people aware of products (product-awareness advertising) to promotions that make people choose certain products (product-preference advertising) through effective and interactive advertising efforts.
- f. The previous sales system was based on orders, coupled with alternative direct sales and online marketing.
- g. Establish cooperation with both private and government agencies so that batik can be better known to the wider community and make Medan batik better known to the public.
- h. Cooperation with financial institutions and the SOE business sector through CSR programs so that craftsmen can expand their business through the assistance of soft loans.

Conclusion

Based on the results of research and discussion, several things can be concluded as follows:

- a. There are obstacles faced by batik artisans in developing the batik industry, namely: lack of capital, lack of cooperation with stakeholders, lack of tools and materials, low entrepreneurial spirit and motivation in running business, and lack of competency in business management.
- b. The right strategy for developing the batik industry in Kampung

Batik Medan is the growth strategy that can be done through improve product quality through innovation and creativity, add new models derivative products, enter new market segments, increase coverage and enter new distribution channel, switching the promotion, uses direct and online marketing, establish cooperation with both private and government agencies, and cooperation with financial institution and the State Owned Enterprises business sector through CSR programs.

Suggestion

Based on the conclusion from the result of the research, it can be given suggestions as follows:

- a. The availability of raw materials and batik equipment are still lack. It needs seriously attention from all parties due to the sustainability of batik artisan's business. It needs fully coordination between company and supplier to make sure that lead time is appropriate with the availability material in the company.
- b. Government should pay attention to batik artisans in increasing their ability in business management such as give training in financial statement to overcome the problem of getting loan from financial institution. It is also important for the company to run business activity is done professionally.
- c. It needs cooperation with stakeholders such as related parties and state owned enterprises to overcome the needs of capital and provide assistance for batik artisans

in business management.

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