

Pearl Craft Development Strategy As A Creative Industry In The City Of Mataram

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Abstract: The aim of this study is to identify alternative strategies for creative industry development in the beaded jewelry handicraft sector of Mataram city. The research employs a descriptive research design, utilizes interview and observational methods, and is analyzed through internal factor analysis (IFE), external factor analysis (EFE), and SWOT analysis. The results show that the internal environment of the industry is in a robust position, with strengths totaling 2.46 compared to weaknesses of 0.64. Likewise, the industry's position in the external environment is also strong, with opportunities totaling 1.80 versus risks of 1.04. Based on the IFE and EFE values, the coordinate point in the axis system is 0.91,0.38, which implies a growth strategy as the optimal choice.

Keywords : Development Strategy, SWOT, Creative Industry, Pearl.

INTRODUCTION

Global competition requires regions to produce efficiently in order to survive. Efficiency stimulates creative thinking, which in turn can lead to creative ideas. The creative economy, which is synonymous with the creative economy, is currently credited with being able to make a very significant contribution to the regional economy, and its existence is an inseparable part. According to UNCTAD (2008), the creative industries contribute significantly to the country's economy by increasing the value of exports, absorbing large amounts of labor and contributing to the gross domestic product (GRDP).

This opinion is supported by the Department of Commerce Opinion (2008), which finds that the contribution of the creative industries to GDP averaged 6.3% in 2002-2006, or the equivalent of US\$152.5 trillion. With a participation rate of 5.8%, the creative industries can accommodate up to 5.4 million employees. In terms of exports, the creative industries recorded total exports of 10.6% between 2002 and 2006.

One of the reasons for developing the potential of creative industries is the positive effects that affect the social life, business climate, economic improvement and image of a region. [12] This is due to the existence of new goods and services that encourage people to come, see, know, feel or even own something when something can be traded. Likewise, as an industry that produces something entirely new, innovating something that already exists or mimicking it elsewhere, the creative industries will encourage people to become aware of the existence of something new. Thus, the existence of the creative industries is directly or indirectly an object and tourist attraction that can encourage people to visit or visit the existence of the creative industries.

Mataram City, NTB, as one of the cities in Indonesia, has the potential for a creative industry which, if managed properly, will become one of the drivers for local tourism destinations. One of the creative industries with good prospects is bead jewelry handicraft, which is common at Sekarbela handicraft center in Mataram city. This type of craft has its own role because it has international market potential and also incorporates local knowledge in the use of production factors.

In the creative industry of pearl jewelry handicraft, there are problems from the internal and external environment of the industry. The business environment demands from every industry and every company the ability to adapt to the changes that occur.[13] The pearl jewelry industry is closely related to fashion, and in

this industry, market taste change is faster. In addition, the use of technology as a key aspect in the production process can increase the effectiveness and efficiency of production.

The increasing competition for pearl jewelry products from domestic and foreign competitors was not countered with the implementation of corresponding business concepts. There are many small things in this industry that make a big impact when a company in the industry expands their marketing scope.[14] For example, the term product mix refers to packaging and branding. Even if the quality of the product is high, if it is not perceived as better by the market, it will definitely have difficulties in marketing. Considering the above problems in the pearl jewelry craft industry, strategies for developing the craft industry are required. So far there have been numerous coaching and empowerment efforts by the parties involved, both governmental and private institutions. However, these efforts failed to maximize the development of the industry. This is because these efforts often overlap and are undertaken by each institution individually and without proper coordination, making them less effective and efficient.[15]

Based on this description, this research aims to examine "**The Development Strategy of Pearl Crafts as a Creative Industry in Mataram City**".

THEORETICAL REVIEW

Creative Industries

According to DCMS (Creative Digital Industries National Mapping Project ARC Center of Excellent for Creative Industries and Innovation, 2007), creative industries are industries that emerge from the use of individual creativity, skills and talents to generate and harness wealth and employing the creative power and inventiveness of the individual. Creative industries are industries with originality in terms of individual creativity, skills and talents that have the potential to generate income and jobs through the use of intellectual property (Jerusalem, 2009).

According to the United Nations Conference on Trade and Development UNCTAD (2008), the creative industries are now: The cycle of creation, production and distribution of goods and services that uses creativity and intellectual capital as its main input; Part of a series of knowledge-based activities focused on the arts that have the potential to generate revenue from commerce and intellectual property. They consist of tangible products and intangible intellectual or artistic services with creative content, economic value and market purpose. Intersection between arts, services and industry; and part of a dynamic sector in the world of commerce.[16]

Based on the various opinions above, the creative industry is an industry based on innovation, new ideas from creative human resources. The creative economy will be potential if it is supported by three things, namely *Knowledge Creative*, *Skilled Worker*, and *Labour Intensive*, to be used in so many spaces in the growing creative product industry in Indonesia, such as *crafts, advertising, publishing and printing, television and radio, architecture, music, design, and fashion*.

Craft Industry

Based on the findings of the UNESCO/ITC International Symposium in Manila in 1997, crafts are industries that produce products, either entirely by hand or with ordinary equipment. Mechanical equipment is also used as long as the contribution of craftsmen in the industry remains greater as a final product component. Craft activities are creative activities related to the creation, manufacture and distribution of products made and manufactured by artisans, starting from the initial design to the completion of the product, including handicrafts made of precious stones, natural and artificial fibers, leather, rattan, Bamboo, wood, metal (gold, silver, copper, bronze, iron), glass, porcelain, marble, clay and lime.

Craft products are usually only made in relatively small quantities (no mass production). The volume of production is highly dependent on the number and skills of available artisans, so this industry can be classified as labor intensive.

Based on the raw materials used, craft products can be categorised as follows:

1. Ceramics, such as clay, earthenware, pottery, stoneware, porcelain.
2. Metals, such as gold, silver, copper, bronze, iron.
3. Natural fibres, such as natural fibres (bamboo, roots, rattan)
4. Stones, such as precious stones, semi-precious stones, jade
5. Textiles, such as cotton, silk and linen
6. Wood, such as paper and lacquer ware

Development Strategy

The strategy itself means that all activities within the scope of the company, including the allocation of resources owned by the company. According to Rangkuti (2009: 4) there are two concepts of strategy, namely:

1. Distinctive Competence is an action taken by the company in order to carry out activities better than its competitors. A company that has strengths that are not easily imitated by competing companies is seen as a company that has "Distinctive Competence". Distinctive Competence describes the specific capabilities of an organisation. Identification of Distinctive Competence in an organisation includes:
 - a. *Labour expertise*
 - b. *Resource capability*

These two factors allow the company to be superior to its competitors. High personnel competence results from the ability to design special functions more effectively than the competition. The ability to conduct better market research allows the company to know exactly what each consumer wants and thus develop better marketing strategies compared to its competitors. All of these strengths can be created by utilizing all of the company's potential resources, such as: B. Sophisticated production equipment and processes, the use of a wide network of distribution channels, the use of high-quality sources of raw materials and a positive brand image and a computerized reservation system.

1. *Competitive Advantage* is a strategic choice made by the company to seize market opportunities. According to Porter (in Hidayat's thesis, 2009: 25)
 - a. *Cost leadership*
 - b. *Differentiation*
 - c. *Focus*

A company can gain a greater competitive advantage over its competitors if it can offer a lower selling price than its competitors for the same product value or quality. The company can achieve lower sales prices because it can take advantage of economies of scale, production efficiencies, use of technology, easy access to raw materials, etc.

Companies can also implement differentiation strategies by evoking certain values among their consumers. Additionally, a focus strategy can also be applied to gain a competitive advantage according to the expected segmentation and target market.

METHODS

Type of Research

This research is a descriptive study based on qualitative data with a SWOT approach. There are two basic assumptions of this model, first the paired conditions between S (strengths) and W (weaknesses) and O (opportunities) and T (threats). While the second assumption in SWOT is that the sub-components in each component (S-W-O-T) are independent and unrelated to each other.

Research Location

The research was conducted in the Kota Mataram urban village because it is the centre of the pearl jewellery craft creative industry.

Data Collection Methods

Interview

Interviews are part of the communication techniques where data seekers discuss questions and answers with resource people to examine the required data. With this interview, information and information about research-related data can be obtained through interviews with entrepreneurs, related government officials and others. Interviews were conducted to obtain data from entrepreneurs of beaded jewelry handicraft industry in Mataram city and related agencies. Interviews were conducted to collect data on the strengths, weaknesses, opportunities and threats of the creative industries.

Documentation

This method was used to collect physical data and business conditions of the pearl jewellery craft industry in Mataram city.

Research Respondents

The population of this study consisted of bead jewelry artisans scattered in Sekarbela, Mataram City. Since the population is not known with certainty, the sample is determined by non-probability sampling, with the sampling technique being targeted sampling. Targeted sampling is a sampling technique that is performed based on certain criteria. In this study, the sampling criteria are entrepreneurs who have been in business for more than 3 years. For the number of samples in this study, 36 entrepreneurs were involved. This figure relates to Roscoe's (1975, in Sekaran 2006) opinion that a sample size greater than 30 and less than 500 is appropriate for most studies.

Research Variables

The variables used in this study are as follows:

1. The internal environment is the environment related to the internal activities of the creative industry of pearl jewellery crafts in Mataram city, which includes the strengths and weaknesses of the industry. Indicators of strengths and weaknesses variables are extracted from HR management, production, marketing and organisation.
2. The external environment, which relates to the macro and meso environment of the pearl jewellery craft business, includes variables of opportunities and threats faced by companies in the industry. Indicators of opportunity and threat variables come from economic, social, cultural, technological, and competitive factors.

Analysis Technique

The data from the research were tabulated and analysed. Data analysis in this study used several approaches as follows:

Descriptive Analysis

Descriptive analysis is an analysis useful for describing the variables under study (Arikunto, 2000:213). That is, the results of this study are only intended to describe or describe the state of a research object at the present time, based on the facts that are occurring or as they are. The aim of this analysis is to find out the profile of the creative industry of pearl jewelry handicraft in Mataram city.

SWOT Analysis

SWOT analysis is the systematic identification of different factors to formulate the factors driving and restraining the creative sector growth and development in Beaded Jewelry Crafts Sector. This analysis is based on a logic that can maximize strengths and opportunities while minimizing weaknesses and threats. This is called situation analysis. The most popular situational analysis model is the SWOT analysis (Rangkuti, 1998:19).

SWOT analysis compares the external factors of *opportunities* and threats with the internal factors of *strengths* and *weaknesses*, to come up with an appropriate analysis.

RESULTS AND DISCUSSION

The data analysis in this study includes internal factor analysis and external factor analysis of creative industry of pearl jewelry handicraft sector in Mataram city using Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices. In addition, the results of the IFE and EFE calculations will illustrate the

position of the creative industry in the beaded jewelry handicraft sector in the city of Mataram compared to its competitors.

Internal factors that come from within the company's environment such as strengths and weaknesses, among others:

1. *Strength* consists of:
 - a. hand made process according to market taste,
 - b. marketing network outside the region has been established,
 - c. financial condition is stable and improving,
 - d. A good reputation for service in marketing, production and speed of delivery.
2. *weaknesses* are:
 - a. not using machines for large-volume orders so the production process is slow,
 - b. does not have a special design that can be used as a main commodity,
 - c. Production planning is still not optimal and is still determined based on needs,
 - d. and large venture capital come with high risks.
3. *opportunity* are:
 - a. great customer buying interest for style purposes,
 - b. government support in product introduction through exhibitions,
 - c. rising demand in recent years,
 - d. tourism support,
 - e. and preservation/cultivation of sea pearls continues to grow.
4. *threats* are:
 - a. the emergence of Japan and Hong Kong as major competitors,
 - b. competitors from the manufacturing industry,
 - c. rising raw material prices,
 - d. and many new business sectors have made craftsmen choose other professions.

Table 4.10 Internal Factor Evaluation (IFE)

No	Strengths and Weaknesses	Weight	Rating	Score
Power				
1.	Hand made process according to taste Market	0,14	4	0,56
2.	Marketing network outside the region already built	0,13	3	0,39
3.	Stable financial condition and increased	0,14	4	0,56
4.	A good reputation for service in marketing, production and speed. delivery	0,13	3	0,39
5.	Unique and inherited skills	0,14	4	0,56
Total Power		0,68	18	2,46
Weaknesses				
1.	Not using machines to large volume orders resulting in a slow production process	0,08	2	0,16
2.	No special design that can be used as the main commodity	0,08	2	0,16
3.	Production system planning has not the maximum is still determined	0,08	2	0,16
Strengths and Weaknesses				
	based on needs			
4.	Large business capital has high risk	0,08	2	0,16
Total Weaknesses		0,32	8	0,64
Total IFE Score		1	10	1,82

From the table above, it can be seen that the Company's Strength Factor has an overall score of 2.46, while the Industry Weakness Factor has an overall score of 0.64. So that the strengths of the industry are greater than the weaknesses of the industry.

Table 4.11 External Factor Evaluation (EFE)

	Opportunities and Threats	Weight	Rating	Score
Opportunities				
1.	Great customer buying interest for appearance/style purposes	0,12	3	0,36
	Government support in product introduction through exhibitions	0,12	3	0,36
3.	Increase in demand in last few years	0,12	3	0,36
4.	Tourism support	0,12	3	0,36
5.	Pearl preservation and cultivation the sea continues to grow	0,12	3	0,36
Total		0,60	15	1,80
Opportunity				
Threats				
1.	The rise of Japan and Hong Kong as the main competitor	0,08	2	0,16
2.	Competitors from the industry manufacturer	0,12	3	0,36
3.	Rising raw material prices	0,12	3	0,36
4.	There are many new business sectors that make employees choose other professions	0,08	2	0,16
Total Threat		0,4	10	1,04
Total EFE Value		1	5	0,76

From Table 2 above, it can be seen that the Industry Opportunity Factor has a total score of 1.80, while the Industry Threat Factor has a total score of 1.04. This means that the industry's opportunity factors are greater than the industry's threat factors.

Based on the results obtained from the internal and external analyses in the tables above, the results can be summarised as follows:

1. Total strength score = 2,46
2. Total score of weaknesses = 0,64
3. Total opportunity score = 1,80
4. Total threat score = 1,04

The Strength Factor value is greater than the Weakness Factor and the Opportunity Factor value is greater than the Threat Factor. It means that the position of pearl jewelry handicraft industry in Mataram city is in a growth position. The internal conditions of this creative industry are quite strong and the environment is slightly menacing. To find the coordinate points in the axis system, proceed as follows:

1. Internal Analysis Coordinates
 $(\text{Total Strength Score} - \text{Total Weakness Score}) / 2$
 $= 2,46 - 0,64 / 2 = 0,91$
2. External Analysis Coordinates
 $(\text{Total Opportunity Score} - \text{Total Threat Score}) / 2$
 $= 1,80 - 1,04 / 2 = 0,38$

So the coordinate point is located at 0.91; 0.38

3. Then the coordinates results are plotted in a SWOT matrix diagram to determine the actual position of the industry.

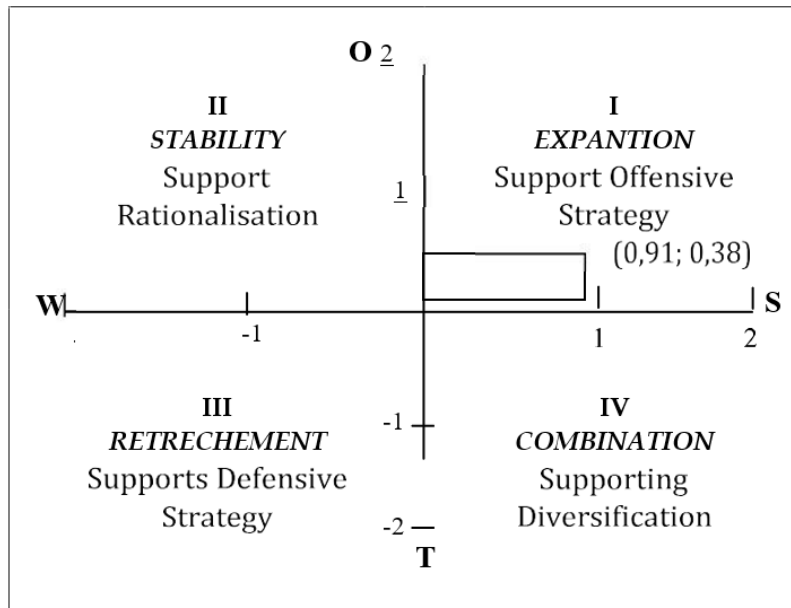


Figure 4. SWOT Matrix Diagram

From the meeting of the diagonal points, it is known that the position of the creative industry is in quadrant I. The calculation results of each quadrant can be described in the following table.

Table 4.12 Quadrant Calculation Results

Quadrant	Point Position	Matrix Area	Ranking	Strategy Prioritisation
I - SO	(2,46 ; 1,80)	4,43	1	Growth
II - WO	(0,64 ; 1,80)	1,15	3	Stability
III - WT	(0,64 ; 1,04)	0,67	4	Shrinkage
IV - ST	(2,46 ; 1,04)	2,56	2	Combination

In Quadrant I (SO Strategy), the overall strategy that the industry can implement is to leverage its strengths to take full advantage of existing opportunities. In quadrant II (WO strategy), the industry can take advantage of existing opportunities in order to focus activities by avoiding weaknesses. In quadrant III (WT strategy), the industry must minimize all weak points in order to be able to counter every threat. Finally, in Quadrant IV (ST Strategy), the industry must muster all the strength to meet any threat, creating diversification to create opportunities.

Formulation of Development Strategy

The next step of the SWOT analysis is to determine the strategy based on the position of the quadrant. The creative industry of pearl jewelry crafting in the city of Mataram is in quadrant I with a matrix area of 3.54. The matrix area is larger than the matrix area of the other three quadrants, so that the SO strategy is chosen as the priority strategy. The SO strategy is a stable growth strategy that focuses on market penetration, market development and product development, integration (forward, backward, horizontal) and diversification (concentric, horizontal, conglomeration).

Referring to the general concept of the SO strategy above, the development strategy for the creative industry of pearl jewelry handicraft in Mataram City can be formulated as follows:

- Overseas market penetration and development. So far, the marketing of Lombok pearl jewellery handicraft

products has been mainly to domestic customers. The overseas market has its own challenges. An effective strategy required by entrepreneurs in this industry to overcome challenges is to use distributors/agents. The limited knowledge and experience of entrepreneurs to conduct overseas marketing can be overcome by the presence of distributors.

- Have a company/industry *website*. Domestic and foreign buyers who are the target market for pearl jewellery marketing certainly have an internet network and tend to search for information via the internet. One effective way to market your products is to have a website that contains the company's profile (products and other information) and the company's official e-mail.
- Integration of the pearl and precious stone jewellery industry with policy and technological support to improve competitiveness. Currently, Hong Kong and Japan dominate the world market for *south sea pearl* jewellery products, while Lombok (Indonesia) pearls are not widely known.
- Increasing promotion and branding must be done continuously. The establishment of a trademark for Lombok pearl jewellery products needs to be done immediately along with the development of a sales chain both in the domestic and foreign markets. While promotion can be done through any media to introduce new products, attract new consumers and networking and maintain relationships with old consumers to always remember Lombok products.
- Creative. The progress of the Lombok pearl jewellery industry is inseparable from the creativity of the actors in creating product designs. Although the movement of jewellery design trends is not as fast as fashion design trends, creativity in jewellery is very important because it is part of the fashion industry.
- Building trust. The success of this industry cannot be separated from honesty. Products made from pearls must have a clear description, so it is best if the products sold are certified. The body that certifies pearl products is the *Swiss Gemmological Institute*.
- Develop policies to maintain and sustain nature conservation in pearl farming areas/marine waters of Lombok island.

CONCLUSIONS

Conclusion

From the results of the research that has been conducted, the conclusions that can be drawn on the determination of development strategies through SWOT analysis by analyzing internal factors and external factors in the creative industry of the Pearl jewellery craft sector of Mataram city are as follows:

1. Internal factors consisting of strengths include home made processes according to market tastes; marketing networks outside the region have been built; stable and increasing financial conditions; good reputation in good service in marketing, production and speed in delivery of goods; and unique and inherited skills. Meanwhile, the weaknesses include not using machines for large volume orders so that the production process is slow; not having a special design that can be used as the main commodity; production system planning is not optimal and is still determined based on needs; and large business capital has a high risk.
2. External factors consisting of opportunities include great customer buying interest for style purposes; government support in product introduction through exhibition fairs; increased demand in recent years; tourism support; and the preservation and cultivation of sea pearls continues to grow. Threats include the emergence of Japan and Hong Kong as the main competitors; competitors from the manufacturing industry; rising raw material prices; and many new business sectors that make this skill abandoned and employees choose other professions.
3. The strategy that can be used for the development of creative industries in the pearl craft sector in Mataram city is a stable growth strategy that focuses on market penetration, market development, and product development.

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