

Strategy in developing priority craft industry by using SAWSWOT Model in Jambi Province

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Abstract

This study aims to determine the quality creative craft industry to be developed and to formulate a strategy for developing these priority creative industries. The analytical model used to determine the priority creative craft industry is the SAW (Simple Additive Weighting) model. The SAWSWOT model is used to formulate the priority creative industry development strategy. The result of the study shows that the batik industry has been selected as a priority creative craft industry. At the same time, the strategies that can be used to develop the batik industry are increasing IT mastery by management staff, workforce skills, using Jambi batik design applications, and marketing through E-Commerce.

Keywords: *Creative industry, Priority, Strategy, SAWSWOT*

JEL Classification: C69, L67, O31, O38

INTRODUCTION

The development of creative economic potential, especially in the creative handicraft industry, impacts the progress of the national economy. 48.03 percent of developing countries prioritize the creative economy. Therefore, policies relevant to developing creative industries will help improve the national economy and exports (De Beukelaer, 2014). In line with this thought, Boccella & Salerno (2016) also argue that the development of the creative economy is a reflection of national policies based on regional culture and social institutions. For this reason, the creative industry as a part of the creative economy, which is the focus of future economic development

The development of the creative industry implies that young people in Bandung could respond to it by developing a creative craft industry. They establish a creative music and clothing industry known as Distro. These young people received support from the British Council, which later developed Bandung's city into a creative city. These youth efforts receive support from the central government to develop creative industries in other areas. It is clarified by the issuance of Presidential Instruction No. 6 of 2009 concerning the Development of the Creative Economy. The instruction states that the government supports a creative economy development strategy based on

individual creativity, skills, and talents to create individual creative and ability that has economic value and affects the welfare of the Indonesian people.

The role of creative industries in national economic development can be traced from each sub-sector's contribution toward the national economic growth rate or to the gross domestic product. Indonesia has initiated the progress of the world's creative economy so that in 2021 it was determined as an international creative year through United Nations General Resolution (UN) number 74/198. Based on the Creative Economy Agency Performance Report in 2019, the creative economy sub-sector has become a priority. Among 17 sub-sectors, 3 have the largest creative economy contribution to GDP in 2021, namely fashion, culinary, and craft. Culinary, ranked first, contributed the largest gain, as much as 41%, fashion contributed 17%, and crafts accounted for 14.9%. This is in line with the opinion of Hotho & Champion (2011), who states that the contribution of the creative industry has been widely recognized where the industry shows the growing number of industrial businesses.

The development of creative industries can accelerate the downstream process. To create downstream, the development of the creative industry needs to be the focus of attention because the creative industry can create added value and large jobs. However, downstream for the creative industry is not easy to implement because it requires capital, technology, and reliable human resources (Nasution & Aminah, 2021). Therefore, the development of creative industries must focus on the imagination and creativity of industrial players. The creative industry consists of 14 groups. One of them is the creative craft industry group. The creative craft industry can develop new markets and increase the added value of products that will have an economic and social impact. Fitriana et al. (2014), Brouillette (2020), Fazlagic & Skikiewicz (2019), Zheng et al. (2020), and Tuech et al. (2020) state that creative industries' development requires innovative and creative human resources. The existence of creativity will make creative industries help the economic development of a region. Creative industry development should be based on potential regions. According to the research by Mangifera (2016), the creative industry should grow based on potential regions. Therefore, creative industry holders should be competent to use regional resources to grow creative industries in line with market demand.

Specifically for Jambi Province, the manufacturing sector's contribution to GRDP is 10.5%. This contribution has greater meaning because it can create employment and business opportunities and increase the added value of the products produced by Jambi Province. One of the activities in the manufacturing sector that seeks to create added value is the creative industry. The creative industry is an industry that utilizes individual creativity, skills, and talents to create prosperity and create jobs from the results of individual creativity (Departemen Perdagangan Republik Indonesia, 2007). During the Covid-19 pandemic, the creative industry can develop faster because it has community and government support.

In order to increase sustainable regional economic growth depends on the region's ability to increase innovation (Kamil, 2015; Pradhan et al., 2020; Zhou et al., 2021). In the industrial era 4.0, the creative industry must be developed based on digital technology. For this reason, it is necessary to start with sorting, selecting, and determining the priority industries. The priority creative craft industry is developed based on industry 4.0 in order to accelerate competitiveness and increase the added value of the community's economy.

Creative industries are grouped into 14 categories. One of the creative industry groups is the creative craft industry. There are some creative craft industries, especially

in Jambi Province. For example batik craft industry, the songket craft industry, the embroidery craft industry, the woven industry, and the souvenir craft industry. There are 69 business units of the creative industry spread across Jambi Province.

To develop the creative craft industry in Jambi Province, it is necessary to set a priority creative craft industry. The selected priority creative craft industry must also be developed with an appropriate and superior development strategy to produce a competitive priority creative craft industry. This research will give the novelty of using the newest model to determine the priority of the craft industry and the strategy to grow the craft industry. Therefore, deeper research is needed on the determination of the creative craft industry, which is prioritized to be developed in Jambi Province, as well as a strategy for developing the creative craft industry that is right on target.

METHODS

The data used in this research is secondary data from the industrial and trading institution Jambi Province. The observation is done towards 27 Batik industries chosen as the craft industry priority. The selection of the 27 batik industries came from a database set by the Jambi Province Industry and Trade Office as a priority for creative craft industries to be developed. The selected batik industries are spread over 13 units in the city of Jambi, 3 units in Bungo Regency, 1 unit in Kerinci Regency, 1 unit in Merangin Regency, 1 unit in Batanghari Regency, 2 units of Muaro Jambi Regency, 1 unit of Sarolangun Regency, 1 unit of West Tanjung Jabung Regency, East Tanjung Jabung Regency 3 units, and Tebo Regency 1 unit. The structural interview was conducted with the industry holder to support that observation. The result of observation is used to arrange the creative industry priority strategy in Jambi Province.

The data analysis model used to determine the strategy for developing this priority creative craft industry has 2 stages, namely:

Determination of priority creative industries

The Simple Additive Weighting (SAW) analysis model determines the priority of creative industries. Munthe (2013) explains that the SAW method is a decision making that uses the weighted summation of the performance on each criterion. The use of the SAW model in determining the leading creative industry has been carried out by Hidayat & Rachmad (2019). Furthermore, Asnawati & Kanedi (2012) stated that the assessment criteria could be determined according to the needs of the company/industry.

This SAW analysis model has the advantage of being able to make an accurate assessment because the criteria and weight values have been determined correctly. In addition, the normalized value attribute value is calculated by the attribute value.

The stages of determining the priority creative craft industry are:

1. Determination of criteria and weighting
2. Determination of the value of each priority product alternative
3. Treatment of the normalized matrix with the formula:

$$R_{ij} = \begin{cases} \frac{X_{ij}}{\text{Max } X_{ij}} \\ \frac{\text{Min } X_{ij}}{X_{ij}} \end{cases}$$

Definition:

R_{ij} = Matrix of normalization of performance

Max X_{ij} = Maximum value of each alternative

Min X_{ij} = Minimum value of each alternative

Formulation of development strategy

For the formulation of a priority creative craft industry development strategy in Jambi province, researchers used SAWSWOT Analysis Model. SAWSWOT is a SWOT analysis based on the criteria used in the SAW model. The criteria used to develop the strategy are the criteria for business units, labor, production, investment, and income. The five criteria were chosen as the basis for the SWOT analysis because those criteria were also used as the basis for determining the creative craft industry. The SAWSWOT analysis model is the novelty of this research. Based on the results of tracking, the SAWSWOT model has never been used in various studies in the same field of science

RESULT AND DISCUSSION

Priority creative craft industry

In determining the priority creative craft industry in Jambi province, researchers used SAW (simple additive weighting) model. The SAW model was conducted through 4 stages. The four stages were:

Determining criteria and weighting

The criteria that will be measured in determining the priority creative craft industry are taken from the variable factors of production. These criteria are business units, labor, production, investment, and turnover. Furthermore, each criterion will be given a weight which can be seen in Table 1.

Table 1. Criteria and weight

No	Criteria	Code	Weight
1	Unit of business	C.1	0,200
2	Labor	C.2	0,133
3	Production Value	C.3	0,333
4	Investment Value	C.4	0,067
5	Income	C.5	0,267

After having the results of the criteria weighting, the next step is to determine the value of each alternative priority creative industry.

Determine the value of each priority creative industry alternative

Based on the 5 criteria, where weights have been determined, the value of each alternative from the priority creative craft industry have been determined. The results of the determination of the alternative values are presented in Table 2.

Table 2. The value of each creative craft industry

No	Category	Code				
		C.1	C.2	C.3	C.4	C.5
1	Batik	27	193	7.268.000.000	2.508.077.000	10.484.500.000
2	Songket	5	54	980.000.000	1.440.000.000	1.630.000.000
3	Embroidery	12	66	390.500.000	271.000.000	653.500.000
4	Souvenir	14	64	1.168.300.000	302.000.000	2.176.400.000
5	Woven	11	104	950.600.000	472.500.000	1.575.750.000

Determination of normalized matrix

The results of determining the value of each alternative priority creative craft industry in Jambi province are normalized to the resulting matrix. Normalized matrix Priority creative craft industry is presented in Table 3

Table 3. Normalized matrix

No	Category	Code				
		C.1	C.2	C.3	C.4	C.5
1	Batik	1,000	1,000	1,000	1,000	1,000
2	Songket	0,185	0,280	0,135	0,574	0,155
3	Embroidery	0,444	0,342	0,054	0,108	0,062
4	Souvenir	0,519	0,332	0,161	0,120	0,208
5	Woven	0,407	0,539	0,131	0,188	0,150
	Weight	0,200	0,133	0,333	0,067	0,267

After the normalized matrix has been obtained, the next step is calculating each alternative's total value from each creative industry.

Decision-making on priority creative industry ranking

The decision-making for determining the Priority creative craft industry in Jambi province is carried out by multiplying the results of the normalized matrix with the weight vector of the criteria used to determine the priority creative craft industry. The matrix of the multiplication results is presented in Table 4

Table 4. Decision-making matrix

No	Category	Code					Total Value
		C.1	C.2	C.3	C.4	C.5	
1	Batik	0,200	0,133	0,333	0,067	0,267	1,000
2	Songket	0,037	0,037	0,045	0,038	0,042	0,199
3	Embroidery	0,089	0,045	0,018	0,007	0,017	0,176
4	Souvenir	0,104	0,044	0,054	0,008	0,055	0,265
5	Woven	0,081	0,072	0,044	0,013	0,040	0,249

Based on the decision matrix, the ranking of decisions can be taken and shown in Table 5.

Table 5. The determination of priority creative industry ranking

No	Category	Total Value	Rank of Priority
1	Batik	1,000	I
2	Songket	0,199	IV
3	Embroidery	0,176	V
4	Souvenir	0,265	II
5	Woven	0,249	III

Table 5 shows that the batik industrial product of Jambi is chosen as the priority creative craft industry to be developed in Jambi Province, namely the batik Industry. The second rank is the souvenir creative craft industry, and the third rank is the woven creative craft industry.

This batik craft industry needs to be developed because it has a characteristic in the form of a typical Jambi motif so that it has an attraction and allure for consumers and the pride of the Jambi community. Jambi Batik has been branded for batik fashion at the national level because it has special characteristics in patterns and designs that come from various animals, plants, and ecosystems from the Regency/City in Jambi Province.

Culturally, the Jambi Batik industrial product, which was selected as a product of the creative craft industry, strongly supports the preservation of Jambi's culture in the form of Tengkuluk and Sarong/Sampingan for elders and young people. However, in

terms of business, the Jambi batik industry products also attract the market through uniforms and gifts. Therefore, the production of the batik industry has the potential to be increased to fulfill market needs. In addition, industrial development will help preserve the environment and culture (Fahmi et al. 2017).

Creative Craft Industry Development Strategy in Jambi Province

It is necessary to make a strategic analysis for developing the priority creative craft industry in Jambi Province. The formulation of the strategy uses SAWSWOT. The SAWSWOT analysis used is based on the criteria used by SAW, namely business units, labor, production, investment, and income. These five criteria are chosen as the basis for the SWOT analysis because they have also been used for determining the creative craft industry by the SAW analysis as described previously. The SAWSWOT analysis based on the main criteria for determining priorities is listed in Table 6.

Table 6. SWOT based on determining factors in priority creative craft

No	Instrument	Strength (S)	Weakness (W)	Opportunity (O)	Threats (T)
1	Business Unit	The business unit is managed in a family-friendly and supportive environment	Management will be limited and discontinued	Developing business through online system	Management doesn't have good ability IT in developing online business
2	Labor	Labors come from family member and already have experience	The regeneration of labor has started to end because the youth has no interest on it	Regeneration through formal school or extracurricular activity	Wages/salary for Batik labor is still low or less than minimum wage of regional
3	Production	Production material for natural dyes is still widely available	The raw material for mori cloth for production is still taken from Java or imported from China and India	Utilization of local materials for production, especially natural dyes that have Jambi characteristics are available	Prices of raw materials for mori cloth for production in Java and import prices
4	Investment	The majority of the investment comes from the batik craftsmen themselves or from their own capital	Limited source of investment with cheap price so it detain expansion	Getting investment fund with cheap price from government	Access of investment funding from government is still limited
5	Omset	Batik of Jambi is well known for offline or online sell	The using of social media is still limited. Only the successful craftsmen that use this massively	Increasing income via online sell can be obtained especially if it is targeted to millennial consumers	Innovation in Batik design and online media that is used is still low and less creative

Table 6 contains a SWOT analysis based on the criteria for determining SAW, namely business units, labor, production, investment, and income, so it can also be continued to formulate a strategy for developing the selected creative craft industry, in this case the batik craft industry. The formulation of the development strategy aims to further develop the batik craft industry in Jambi province. In addition, the strategy must be drawn up in line to develop the creative industry, so cooperation between the government as a strategy maker and all stakeholders is needed (Ahmad et al. 2020). The involvement of all these parties can increase the participation of the batik craft industry in increasing economic growth. This is also in line with what Ardiana (2020) states: government support positively impacts the creative industry's success. The development strategy is presented in the form of a table as follows.

Table 7. The strategy of developing chosen priority creative craft (Industry of Jambi Batik)

No	Strategy instrument	Strategy of development
1	Unit of business	Preparing management staff who master IT and developing business through online market
2	Labor	Improving the skills of the workforce through online and offline training and preparing the regeneration of batik craftsmen
3	Production	Optimizing the use of local raw materials, especially natural dyes
4	Investment	Increasing support for investment credit without fees and without collateral for craftsmen that the government provides
5	Income	Increasing online income through collaboration with e-commerce providers such as Shopee/Tokopedia

Table 7 shows that in developing the batik industry as a priority craft industry in Jambi Province, it is necessary to focus on 5 criteria. These criteria are the development of business units through the regeneration of craftsmen, increasing the workforce's expertise, optimizing production through improving batik designs, investment support at low costs, good financial management, and increasing income through collaboration with e-commerce providers.

The batik industry selected as a priority craft industry in Jambi Province, requires innovation and creativity to accelerate regional economic recovery by optimizing the potential for regional independence and local wisdom. This study's results align with the results of Fitriana et al.'s (2014) research, which states that the creation of industrial players results in more innovative products. Training, debriefing/guidance, and monitoring increase industrial players' creativity. Furthermore, the results of this study are also in line with the opinion of Gunday et al. (2011), which states that the development of the creative craft industry will be able to increase the welfare of people's income. Industrial development must be done by conducting innovations so the market can accept creativity. This innovation will affect the performance of companies that manage the industry.

On the other hand, if the creative industry can be developed, it will impact the regional economy. This impact will be seen in expanding job and business opportunities and increasing people's income. Prioritized creative industry development will help

preserve the environment and culture (Fahmi et al. 2017). Furthermore, Satria & Prameswari (2011) stated that the creative industry also has a large multiplier effect on similar industries and other supporting industries, namely the production, distribution, and marketing processes.

In addition, the results of this study are also in line with the research results of Lita et al. (2018), which state that in developing creative industries, it is necessary to pay attention to aspects of innovation based on cultural innovation and product performance. On the other hand, Kamil (2015) supports the results of this study by stating that increasing the productivity of the creative industries towards competitive priority industries will be achieved through efforts to strengthen the capabilities of innovation-based human resources.

CONCLUSION AND RECOMMENDATION

Conclusion

The analysis of the SAWSWOT model is the novelty of this research. The model is used to determine the development strategy of the Priority Creative Crafts industry. The study's results determined that batik was selected as a creative craft industry prioritized to be developed in Jambi Province. For this reason, a batik industry development strategy based on the ability to use IT by management staff, improvement of workforce skills, the use of Jambi batik design applications, and marketing through e-Commerce.

Recommendation

This study's results recommend revitalizing the Jambi batik center by constructing batik galleries in each district/city located in shopping centers or malls. Besides that, digital marketing is also being developed through social media; Instagram, Facebook, Tik Tok, Shopee, etc. The government is also expected to be able to facilitate the development of contemporary batik motifs or a combination of flora, fauna, and nature with the latest Jambi icons, such as the Gentala Throne bridge.

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