

Marketing Strategy Determination of Lampung Typical Batik in Micro Small Medium Enterprises in Bandar Lampung City by using SWOT Analysis

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ABSTRACT

The purpose of this study is to investigate the right strategy in order to improve marketing of Lampung Typical Batik craft business in some Micro Small Medium Enterprises that sell Lampung Typical Batik as well as investigating priority marketing strategy in running Lampung Typical Batik craft business. SWOT analysis is used in this study to analyze internal factors of Lampung Typical Batik MSMEs in similar industry, so that the factors of which can be the strength and the weakness. Based on the result of SWOT internal and external analysis, it is obtained that the strategy that can be done to develop craft business of Lampung typical batik is a concentration strategy through horizontal integration. It means that the applied strategy is more defensive, which is avoiding selling loss and profit loss caused by the number of competitors from artificial batik which is less qualified compared to Lampung Typical Batik. It also has a cheaper price.

Keywords: Marketing Strategy, SWOT Analysis, Lampung Typical Batik Micro Small Medium Enterprises (MSMEs).

1. INTRODUCTION

The development of productive Micro Small Medium Enterprises (MSMEs) really supports the economic wheel of a country. The emergence of new Micro Small Medium Enterprises will help employment that will affect the decrease of existing unemployment in Indonesia. Indonesian people have the potential to earn fixed incomes from having business on MSMEs, Maulina & Fordian, (2018). MSMEs are the main support on the economic growth and poverty lessening as they provide more work opportunities, Heinicke (2018). Moreover, it also has the potency that still can be developed both in productivity and competitiveness. Lupiyoadi (2004) stated that SME also can create new technology, product, and service to support economic growth as well as creating changes and competition in market. The emergence of new Micro Small

Medium Enterprises can be used as the main booster in accelerating the economic recovery of Indonesia.

Not only having strength, MSMEs also have weakness. Some countries entered firms fail in their first 2 years of life, Vivarelli (2013). When accessing information that is assumed to be related directly to the condition of MSMEs internal factor that is covered by MSMEs that actually have quite big market in international world. They have not been known much by customers.

When MSMEs have a good way to survive, grow, contribute to the nation by alleviating poverty as it creates employment, it can survive in the crisis, Ahani et al. (2017); Ong & Ismail (2012). One kind of MSMEs that is able to do that is MSMEs in batik sector. Batik is Indonesian noble culture that has been inherited from generation to generation since long time ago. The art of batik has been through cultural struggle that is very important in accompanying the journey of Indonesia. It is likely that batik was born as an identity of Indonesia to be proud of.

Batik does not only illustrate the beauty visually, but also demonstrates deep philosophical values and spiritual experience. Since its appearance, batik was not only as an artwork and economic activity, but also as an expression of idealism and the means of struggle against suppression. Therefore, batik actually is an embodiment of an artwork or sensory, philosophical, and spiritual culture at once.

The ornament of Lampung typical batik much includes various decorative ornaments of Lampung culture including local symbols such as Menara Siger and others. Batik Gabovira that is one of batik artist / business actor as well as Lampung batik designer in the future will conduct modification of Lampung Batik motif by combining Kain Sebage ornaments with various Lampung culture decorations that contain local symbols in the Lampung Province.

Lampung motif has its own uniqueness that is very different from the motif from other areas in Indonesia. Historically, Lampung had started to know textile art since the 18th century at the same time with the entry of the influence of Indian culture. The most well-known and desired by foreign collectors is boat motif and "tree of life". These both motives became very typical for Lampung culture and are the trademark of Lampung to the eye of the world.

Based on the above background, the problems of this study can be formulated as the following:

1. How is the marketing strategy by using SWOT approach that is applied in running craft business of Lampung Typical Batik in some MSMEs that sell Lampung Typical Batik?
2. Which marketing strategy must be prioritized in running craft business of Lampung Typical Batik in some MSMEs that sell Lampung Typical Batik?

2. OBJECTIVE AND BENEFIT

Using SWOT approach, this study aims to:

1. Investigate the right strategy to improve marketing strategy in craft business of Lampung Typical Batik in some MSMEs that sell Lampung Typical Batik.
2. Investigate priority marketing strategy in running craft business of Lampung Typical Batik in some MSMEs that sell Lampung Typical Batik.

Meanwhile, the benefits of this study are:

1. Helping government in increasing local potency of Lampung especially the local wisdom-based craft production that is expected to be able to increase income and to introduce Lampung culture outside the province. The result of this study is expected to be able to give information, suggestion, and consideration for community of craft business actors of Lampung Typical Batik in some MSMEs that sell Lampung Typical Batik.
2. Helping researchers to add knowledge and expand insight related to the world of MSMEs especially Lampung Typical Batik related to entrepreneurship opportunity with its issues and to be the application of knowledge that has been obtained.

3. LITERATURE REVIEW

3.1 Marketing Strategy

Tjiptono (2008) stated that marketing strategy is a plan that describes expectation of company on the effect of various marketing activities or programs toward the demand of product or its product line in certain market target. Marketing program includes marketing actions that can affect demand on product, among others are in price changes, modifying commercial campaign, designing special promotion, and others. Kotler & Armstrong (2012) argued that marketing logic is where company expects to create customer value and achieves mutual relationship. The company decides which customer to be served (segmentation and target determination) and how the company serves them (differentiation and positioning).

3.2 Marketing Mix Concept

Marketing management is classified in four aspects that are often known as marketing mix. According to Kotler & Armstrong (2012), marketing is a group of controlled tactical marketing instruments that are integrated by company to produce response desired by targeted market. Marketing mix consists of four groups of variables that are called "four Ps", which are:

1. Product

Product means combination of goods and services offered by company to targeted market. Elements included in product mix among others are variety of products, quality, design, feature, brand name, packaging, and service. According to Kotler & Armstrong (2012), product can be classified into three groups according to its durability and form, which are nondurable goods, durable goods, and services.

2. Price

Price is the amount of money that must be paid by customer to get product. Price is the only element of marketing mix that produces income, while other elements produce cost. Price is marketing mix element that is the easiest to be adjusted and needs a relatively short time, while product, distribution channel, even promotion need more time. Price also puts value meant by company to the market about its product and brand, Kotler & Armstrong (2012).

3. Place

Place or marketing channel includes company's activity that makes product available for targeted customers. Marketing channel is a series of interdependent organizations that involve in the process to make a product or service ready to be used or consumed. Marketing channel can be defined as a set of companies and individuals that take over rights on certain goods or services as long as the goods or services move from producer to customer, Kotler & Armstrong (2012).

4. Promotion

Promotion means an activity that delivers product and persuades customer to buy it. Definition of promotion according to Kotler & Armstrong (2012) is various activities done by producer to communicate benefits from its product, to persuade, and to remind targeted customers to buy the product.

4. STUDY METHOD

This study combines quantitative and qualitative approaches with descriptive study. Sampling technique used in this study is purposive sampling. Then, data used are from study respondents which are the owners of MSMEs of Lampung batik galleries.

Quantitative approach in this study is used to conduct mapping of Lampung typical batik galleries and media that they often use by using a questionnaire as the data collecting instrument. Meanwhile, qualitative approach is used to investigate the marketing strategy model of Lampung typical batik that uses social media, print media, electronic media, and outdoor media as its marketing tools. Therefore, it can produce the mapping of marketing strategy voter and media used to conduct marketing of Lampung typical batik.

In order to obtain proper and accurate study result, the presence of valid and reliable data is necessary. Collected data that are then analyzed in this study are primary data and secondary data, with data collecting that is done by direct observation (observation), survey, structured interview, and documentation.

Furthermore, in conducting analysis, SWOT analysis is used. The purpose of SWOT analysis is to analyze internal factors of company in industry area so that the factor that is the strength and the weakness can be known. Besides analyzing internal factor, external factor analysis is also done to investigate the opportunity and threat that would be faced in order to increase the competitiveness of MSMEs. Based on the result of SWOT analysis, alternatives of selected policy in strategic decision making are obtained. In conducting SWOT analysis, the steps of the activity done are as the following: (a) identifying internal and external factors, (b) designing a questionnaire, and (c) analyzing the data.

5. RESULT AND DISCUSSION

In conducting this study, the data obtained from Lampung batik craft are studied and processed to be analyzed. In analyzing the data, problems and the solution for those problems are found. The presented problem is about which strategy should be done by craftsman of Lampung typical batik based on SWOT analysis.

SWOT analysis is identifying of various factor systematically to formulate corporate strategy. This analysis is based on logical that can maximize strengths and opportunities, but at the same time, it can minimize weaknesses and threats.

5.1. Maintaining and Increasing Strength

a. Increasing and maintaining high quality of product

To increase the number of sales of Lampung typical batik, MSMEs must maintain the quality of the goods that will be marketed, for example by checking the sample of product received from the craftsman for quality checking (quality of batik, quality of the fabric, as well as the authenticity of mold).

Maintaining quality guarantee that has been given is as the form of willingness in maintaining quality and giving the feeling of safe and comfortable to the customer.

b. Maintaining good/competitive price

To attract buyers, price plays an important role. Thus, MSMEs of Lampung typical batik must be able to give quite affordable and competitive price compared to the competitor especially artificial printed batik. Therefore, the pricing that has been good for the customer must be maintained (adjusted to market condition). Giving discount or special price to customers who buy in large number might be done.

c. Maintaining condition of stock

To give good service and to maintain customer, the role of stock is very important. Thus, MSMEs of Lampung batik must maintain the stock in the position of always available (controlled). It might be done by making a supply control card and conducting minimum and maximum stock. Supply card must be in accordance with the physical of goods. Stock inventory can be done once in two weeks or once in a month.

5.2. Refining Weakness

Based on the result of SWOT analysis, it is obtained that weakness in quadrant III demonstrates that company has very big opportunity, but on the other side, the company also faces internal weaknesses which are the lack of the means, capital, limited sales, and the lack of promotion. Therefore, it needs to take refinement steps as the following:

a. Adding means

In order to expand marketing coverage area that later will affect the number of sales and profit, the means of transportation need to be added.

b. Adding capital

As we know, capital plays very important role in any kind of business. As well as MSMEs of Lampung batik, with the presence of limited capital, additional modal is necessary that later can be used to add smoothness of *cash flow* regarding to the presence of market expansion.

c. Adding the number of employees

In order to increase the number of sales and to expand the selling area, additional marketing employees are needed regarding the number of existing employees has been maximum to serve the running marketing. Employee adding certainly must be well-calculated so that later it will not exceed the needs of employee, or it will be burden for the MSMEs. Moreover, it needs the presence of human resources improvement, such as improving selling skill for sales considering the importance of sales role in increasing the number of sales and profit for the company. Therefore, selling skills improvement is needed by giving motivation training, training on how to persuade customers, ways of negotiation, and ways to maintain good relation with customers.

d. Increasing promotion

In increasing promotion, it can be done by actively putting commercials both in print media and electrical media. Regarding to the increase of social media application use, the promotion of the product that will be marketed on social media is needed now.

5.3. Utilizing of opportunities

a. Utilizing supply

With the presence of enough supply from the business that is supported with excessive production capacity, there are still many opportunities for Lampung batik MSMEs to increase the number of sales and expand its marketing. In order to implement it, it must be supported by the policy of management regarding to some matters as the following:

1) The increase of marketing activity

The role of sales determines the increase of the number of selling, so the sales must be more active in offering their products to customers.

2) Maintaining good relationship with suppliers of the needs in making Lampung typical batik.

The role of supplier is very important because the supplier also has important role in determining the success or the failure of running marketing activities. Regarding to the importance of supplier role, it is righteously for Lampung typical batik MSMEs to conduct important steps in supplier management in order to create healthy business and mutually beneficial.

b. Utilizing high market opportunity

Market opportunity for Lampung typical batik as a fabric that has traditional characteristics is very high for now and upcoming years especially for present modern markets. At this time, markets started spreading to the level of teenagers who want to look modern but still present cultural values in their region especially Lampung.

5.4. Anticipating Threat

For the survival of Lampung batik MSMEs, it must be able to anticipate the possibilities of threats that might occur in the future.

- a. The presence of competitor who has similar good in the era of globalization. The business competition cannot be avoided, but we do not have to be worried because Lampung typical batik MSMEs is able to compete related to the authenticity of Lampung typical batik product and having good marketing strategy.
- b. Increasingly rampant imitation product creates serious threat for Lampung typical batik MSMEs. Imitations of Lampung batik are often found with much cheaper price compared to the authentic batik. However, Lampung typical batik producers are not worried if they keep presenting the authentic design as well as the quality of fabric that they used.

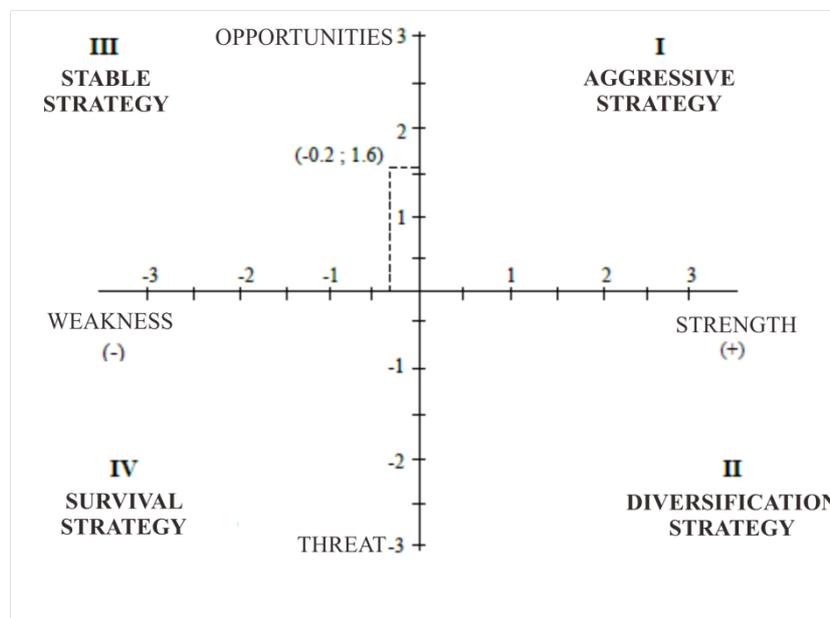
Meanwhile, the diagram of SWOT analysis result of marketing strategy in Lampung typical batik is as the following:

TOWS Analysis Result:

$$S - W = 3 - 3.2 = -0.2$$

$$O - T = 3.1 - 1.5 = 1.6$$

Figure 5.1: Overview of Lampung's Typical Batik Marketing Position in 2017



Position of Lampung Typical Batik marketing is in the position of quadrant III which is stable strategy. In this condition, Lampung Typical Batik MSMEs faces very big market opportunity, but in the other side, it faces obstacle of internal weakness. In this condition, strategy that must be used is to minimize internal problems in order to be able to gain a better market opportunity.

6. CONCLUSION AND SUGGESTION

Based on the study result, the conclusion that can be drawn is as the following:

1. In accordance with the study result, the form of training as well as the understanding of marketing strategy given to entrepreneur and employee of Lampung typical batik MSMEs is good because its process is done regularly by experts who are quite competent in their field.
2. The result of study and descriptive analysis done on craft business of Lampung typical batik shows that the condition of human resources is still less qualified in marketing field because the majority education background is Junior High School and old-aged employment.
3. Raw materials needed in the process of batik are in adequate condition, but the price of the raw materials is always increasing. Meanwhile, for the technology used, it is simple technology. This condition is actually not supported by adequate marketing system.
4. Based on SWOT internal and external analysis, the strategy that can be done to develop craft business of Lampung typical batik is concentration strategy through horizontal integration. It means that the applied strategy is more defensive, which is avoiding selling loss and profit loss caused by the number of competitors and artificial batik that has quality below Lampung typical batik, and the price is cheaper.

Then, suggestions that can be proposed are as the following:

1. Regarding to the condition of Human Resource, a training that supports the activity of Batik MSMEs is needed to be done, especially for its sales.
2. The price of raw material tends to increase, so Batik MSMEs is expected to be able to search alternative raw materials, for example batik coloring material can use natural coloring material.
3. The improvement of technology use is needed to be done, for example by using electrical canting for making batik.
4. In order to support the implementation of defensive strategy, the presence of special characteristic on the batik produced is necessary, so it can avoid selling loss and profit loss.

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