Strategy of Selling Price, Innovation, and Values Contained in Business of Batik Genthongan

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Abstract—Batik is not only a clothing product but also a work of art. This study aims to gain an understanding of business innovation and Batik Genthongan selling price strategy. Besides, this research seeks to explore the values contained in business innovation and strategy. The approach used in this research is the phenomenology approach. Business innovation conducted by JC founder is the implementation of a profit-sharing system to the labors, the process and the innovation conducted by JC founder is the implementation of a competitive selling price with the excellence of understanding raw to the product (product knowledge). While the values contained in the business run by JC founder to support orphans. This is tied as an expression of concern for orphans because the owner of JC has two biological children who happen to be orphans.

Keywords—Batik, selling price

I. INTRODUCTION

Regarding how it made, the process of making Batik is like building a work of art. This affects the “price” of a Batik product that should reflect the value it contains. The price means something to the consumer and has another meaning for the seller [20]. [1] A product can survive in the current trading era is strongly influenced by its ability to innovate and compete, including products of Batik. Batik always experiences a fast transformation along with the dynamics of community groups. This transformation is characterized by changes that are not solely oriented towards a little aesthetic dimension but also based on economic interests. Batik industry in various regions with distinct shades and models also experienced changes with several types of identity. Euis Saedah, General Director of Small and Medium Industries (IKM) of the Ministry of Industry in Kina (2013), explained that Batik has the multidimensional background, such as economic, social, cultural, political and so on. Therefore Batik contains a full meaning for the people of Indonesia.

The declaration of Batik as Indonesia’s cultural heritage by UNESCO on October 02, 2009, dramatically boosts the growth of the national Batik industry. There will be many things when Batik is associated with manufacturing. This is because industrialization involves many links starting from the primary input of production—the availability of raw materials and labor, as well as marketing systems to the selected distribution network. Batik Genthongan is a type of Batik that has a uniqueness because the coloring process lasts up to six months and even a year.

Batik Genthong produced by one of the Batik centers in Tanjung Bumi, Bangkalan. Tanjung Bumi is a coastal area. For the people of Tanjung Bumi, Batik Genthongan treated like gold or savings which can be redeemed for money or food, or stored for children and grandchildren, and as a sign of the love of a mother [22]. [22] found that most Batik producers in Tanjung Bumi were carried out through descendants and run by families (family business).

[1] illustrates that Tanjung Bumi Batik producers have made records for production, up to the separation of capital and profits, using a system of reckoning with mind memories, and no unique recordings are applied. On the other hand, not all efforts are only concerned material as its original purpose (Ningsih, 2017). Similar to Zalshabila (2012) findings, that in determining the cost of sales of meatball dealers in the city of Malang, it also contains the value of "tepo seliro" (amount of tolerance), mangan ora mangan sing peting ngumpul (value of modesty and family gathering), and andnerimo ing pandum (value of acceptance and satisfaction).

Humans, as individual beings, are required to understand the social reality that is formed [14]. Based on these thoughts, as well as about the phenomenon and previous research on Batik gentongan that also consider the Madurese to have the nature of entrepreneurship, this research intends to find an understanding of business innovation and Genthongan selling price strategy. Also, this research tries to dig the values contained in business innovation and strategy.

II. LITERATURE REVIEW

An enterprise is classified as a manufacturing company if there is a process of "change" or adding benefits to the raw material to "something" to be sold. The process can occur if there is a cost (cost). In the view of cost accounting, the cost is a sacrifice made before it receives its benefits. In the process of change, there are three inputs of production, i.e., raw materials, labor, and factory overhead. Input production of raw materials and labor is the "prime cost" or the primary source of cost where, if one is not available, then the production process will not run. While raw materials and labor is a "change cost," namely "thing" that is in charge of carrying out the production process.

Batik production, uniquely handmade Batik is a labor-intensive business. Besides, the output of Batik will not be equal to 100% between the output of each production, although made by the same person in the same production place. Therefore it makes a work of Batik also considered as a work of art.

The price means something to the consumer and has another meaning for the seller [20]. For the Customer "price" is a sacrifice to get something, and for the seller, the price is income as a source of profit [20]. Currently, pricing is the
result of the sum of all production inputs plus the marketing costs, and then the desired percentage of earnings is expected to be conventional. The concept of determining the current sale price can also be used to define the “position” and target consumers as one of the competitive strategies. Thus, the price is something that is greatly influenced by the number of production inputs (raw materials, labor, and overhead) and marketing (distribution and promotion).

When the selling price becomes one of the competitive strategies, the product, as well as the production process, must be designed at a price that allows the company to make a profit when the product sold at the estimated market price determinant [4]. According to [4], there are three ways to achieve it: 1) Target price (price); 2) Target cost (cost); 3) Target profit (profit).

The manufacturer must be able to determine the price of the product and understand its target market if they want their products to be competitive in following the target market, a product designed following consumer desires. Based on life cycle product, if wishing to survive and dominate the market, a product must be able to innovate so that the market is not stagnant or even down. Based on [7], there are seven innovation categories: product innovation, service innovation, process innovation, marketing innovation, supply chain innovation, business model innovation, and organizational innovation.

The Ministry of Industry in Kina (2013) defines Batik as textile fabrics, dyeing according to the characteristic feature of Indonesian Batik, using Batik wax as a barrier. Based on its making process, [11] mapped the center of Batik in Indonesia: hand-made Batik and stamped Batik mostly found in the area of Batik labor in West Java (such as Tasikmalaya, Garut, Bandung, Indramayu, Majalengka, and Cirebon), Central Java (e.g., Solo, Yogyakarta, Pekalongan, Purwokerto, and Banyumas), East Java (e.g., Malang, Jombang, and Madura). While printed Batik textiles are often found and produced in Batik centers in the region of Java (Pekalongan, Solo, and Yogyakarta). [3] In the making place of Batik Tanjung Bumi, Batik is mostly made by using malam, while the coloring process uses the technique of colet—painting technique—and dying [3].

[18] Tanjung Bumi Batik is one type of coastal Batik whose pattern is much influenced by Chinese and Persian culture. Tanjung Bumi Batik, according to Amri (2011), has a high esthetic image regarding color which is dominated by a ‘brave’ color (red, yellow, green) and also the scent of candles mixed with honey that gives a distinctive magical scent.

[3] The differences of Tanjung Bumi Batik compared to other Madura Batik, according to [3] are 1) The pattern of Bangkalan Batik, regarding its shape and line, looks more complicated, firm and precise, with its characteristic of gentongan and peacock motifs, 2) The levels of color tend to be darker and dense, using the technique of color brush (polette), and 3) The influence of culture still retains the ancestral traditions that include materials, methods, Batik motifs, and colors that are more assertive in showing identity as a typical coastal Batik.

Batik Genthongan is produced by Batik workers in Tanjung Bumi and known to foreign countries. The uniqueness of Batik Genthongan lies in the way of coloring. The indigo color from Batik Genthongan is the result of soaking Batik cloth in genthong (container). This coloring process can last up to six months or even a year. The tool being used genthong is a traditional inheritance.

### III. Method

The interpretive approach derives from the attempts to seek an explanation of social or cultural events based on the perspectives and experiences of the person has been studied [12]. Also, the interpretive approach means as research conducted by observing informants who involve directly in social processes through interviews and observation.

The approach used in this research is the phenomenology approach. [8] in Kamayanti [9] explains that phenomenology approach is an attempt to understand what is experienced by “I” so that “I” does the meaning of certain things [8]. The reason of using phenomenology as methodology in this research is because the researcher tries to comprehend the social reality that is formed [14] towards business innovation and pricing strategy of Genthongan Batik as well as to explore the values contained therein by research subject.

The subject of this research is the Founder of Jokotole Collection (JC). The reason for making the founder of JC as a key informant is because they have succeeded in developing the business of Batik Genthongan which started in 2014, now they currently have three galleries. The first gallery, in Tanjung Bumi, also serves as a workshop, the second one in Bangkalan, and the third is in Jakarta (in the form of showcase). The founder of JC claimed to jump into this business because of the power of kepepet. This is due to a series of events that occurred to her. A year before her business started, precisely in 2013, her husband died. In 2014 (when starting the business), JC founder was a contract lecturer in entrepreneurship study program whose salary is paid at the end of the semester, while JC founder has two children. The founder of JC has an educational background as the strategic management of UGM.

[13] phenomenology is a science that focuses on the structure of human consciousness and experience as the formation of social reality. Unstructured interview techniques are selected to achieve the research objectives. The interview process is done naturally because the researcher is also a lecturer at the same institution as JC founder. Data collection is mostly done in the room with the lecturers while waiting for the teaching schedule and even when meeting by accident on campus. Although JC founder and the researcher is a colleague, the interview is not done immediately, but on the willingness and awareness of JC founder as an informant.

### IV. Results

The researcher has long known the JC founder. The researcher and JC founder are both lecturers at the same institution but in different study programs. The first encounter began with a simple “hello” on campus. Since the researcher and the JC founder are both female and Madurese, there is often a light conversation about family.

Sometimes, there is also a brief discussion about the work and events around JC founders and the researcher. From here, the researcher tries to understand what is experienced by the founder of JC. Starting with congratulations from colleagues on campus about the
achievements of JC founder who received an award from Singapore in entrepreneurship, the researcher asked for JC founder’s willingness to be a key informant and to share stories about her business. According to the founder of JC, JC only sells handmade Batik, including the type of Genthongan and does not sell printed Batik. Although she has been familiar to entrepreneurship because her parents are also entrepreneurial, she learned Batik by herself, because the parents’ business has nothing to do with Batik. At the time of taking her bachelor degree, JC founder managed to win PKM at the national level and present it in front of the President.

A. The Concept of Sharia (Profit Sharing) with Batik Artisan as Business Foundation

[24] Based on the story, the founder of JC runs Batik business by using “data quota/ internet.” Starting with the activities of the study program where he teaches, the founder of JC got acquainted with Genthongan Batik workers in Tanjung Bumi. Then the JC founder sent a photo of Batik to his friend in Jakarta via chatting application and asked: “how much money do you want to pay?”. Then his friend asked, “how much money ... RP. XXX? If that is the price, I’ll have it.” So the first pricing at JC founder’s business is determined by the market (prospective buyers).

[15] Then, the JC founder asked the artisans how much the production cost is. They explained that if the cost of the manufacturer (raw material + factory overhead) is equal to RP. XXX per Batik, then the artisans will receive the cost of Batik (labor costs) between Rp 20,000 - Rp. 50,000. From this, the price is given by prospective buyers is far above the cost of production plus the cost of shipping to Jakarta. From selling two pieces of Batik Genthongan, the founder of JC got margin Rp 340,000 (with maximum working fee Rp 50,000). What's impressive, according to JC founder's explanation, is that the profit shared with two artisans, So besides getting Rp 50,000 (as the fee of making Batik), the artisans also get profit-sharing Rp 170,000. JC founder stated further “Do you know what happened after I shared my profits with the artisans? They jumped in joy while saying that they would not quit making Batik.”

The JC Founder explains the reason for applying the concept of sharia (read: profit sharing). “If we use the concept of wage, then what we value is the energy, not the creativity. The meanwhile Batik industry is creativity, it is not fair if we apply wages, because it is not from me, but from the artisans. If we respect each other, God will give many blessings. Rp. 50,000 that I gave was just a reward. Let's keep up the spirit.” The beginning of JC’s business is by selling Batik to Batik craftsmen’ acquaintances who have been photographed. With this method, the artisans also feel benefited. Because if JC managed to sell a decent number of Batik, the artisans would give Batik as a bonus.

The establishment of trust between the artisans to lend Batik to be sold by the founder of JC, according to their explanation, happens because JC founder is always punctual in terms of sharing the profit of Batik. Also, the profit-sharing system is very appreciative and profitable for the artisans. Here is the explanation of the founder of JC “Now, my employees’ income can reach Rp. 7,000,000 per month. If I applied the wage system, I could have ridden a Mercedez. However, what I love most is that there is no mathematical concept in the concept of barakah. Suppose that a family has two children, and I have 100 employees when multiplied by 2, it will be 200 plus 100, 300 people pray for me, let us hope that Ms. US’s (Founder of JC) business runs well. My brand is “Jokotole Collection,” [22] Jokotole is a hero. We hope to be economic heroes for the marginal society”.

Three galleries, JC builds four groups of Batik craftsmen in Tanjung Bumi with 12 permanent employees and 82 freelancers. To make the coordination with, the craftsmen at Tanjung Bumi easy, the founder of JC gets assisted by Hj. 7676, (artisans whose Batik is borrowed and sold) as a coordinator. Therefore, the consistency for the profit-sharing system, the founder of JC explained: “Based on the goods outcome, there must be a note. Before the goods sold, there must be barcodes. So this (while showing the product and its pre-list) JX1 JX2, I know it belongs to whom and how much it is worth because, in every corner of the Batik, there is a certain symbol (symbol of the group of artisans). In each group. There is a coordinator, and in Tanjung Bumi, there is someone in charge of me (Hj 7676). She will say, this is hers, or this is his. So I do not need to know what product is whose, it is they who know. Oh, my products have been sold. Just like that.”.

With a profit-sharing system, JC also gets optimal performance with outstanding results from its artisans without excessive supervision system. This based on the explanation “Hence, the concept of sharia is different from traditional management. Traditionally, they will say ‘it is not good, the bird’s beak still needs fixing,’ it does not need me, because the better the work, the better the transaction value will be. They will be creative on their own.”

Based on the phenomenon above, the division between the founder of JC and the labors must be proportional, which based on each other's efforts. The principle of calculation used is the percentage of the result. [15] Explains that effort which has an unclear, uncertain result in the future, can not demand an exact predetermined outcome. [2] Defines the convention as the process of implementation based on the agreement at the beginning of the contract corresponding to the terms of the contract. The agreements between the founder of JC and the labors are implemented consistently from the start until the profit of selling Batik is shared. Jokotole Batik applies a profit-sharing system after deducting it with all expenses.

The founder of JC’s treatment towards her labors has been excellent; it is Ihsan towards Muslim fellows. Quran Surah An-Nahl verse 90 says, “Indeed, Allah orders justice and good conduct and giving to relatives and forbids immorality and bad conduct and oppression. He admonishes you that perhaps you will be reminded.” In this verse, the commandment of justice followed by the commandment of Ihsan deeds. In the value of local wisdom, this attitude should always be maintained.

High compassion and willingness to share is a positive value that is worth maintaining in the interaction between JC founder and labors. The consistency in the profit-sharing system between JC founder and labors can be in terms of a written agreement at the time of contract. It is just that the habit of the local community that makes a legal agreement.
seems taboo and frightening, besides it is considered difficult to manage, moreover when dealing with the legal law. If the founder of JC and the labors do not want to use these methods, the other alternative is to invite a witness at the time the agreement made. It is a way to prevent both sides from breaking the agreement or being inconsistent. The system of mutual trust done by JC founder is powerful; therefore, they no longer need a written agreement [24].

B. Networking and Brand JC “Blessings, Coincidences and Learnings”

It all starts to pay off, in October 2014 there was a WURI program (Entrepreneurial Bank of Indonesia). This program selected candidate proposals for East Java businesses whose primary business has a social impact. They selected 20 proposals. From these 20 proposals, five entrepreneur candidates were chosen to be assisted in their marketing access. Marketing access offered to JC is participating in Trade Expo Indonesia. JC founder then explained her experience “Well, that was when I first started selling products. I did not know the condition of the market yet. When a product of Batik should be sold for Rp. DDDD, I sold it for Rp. BBBBB (below the market price of IDR 200.000).”

This condition has even become the brand image for JC itself, as the explanation once she told about the “error” of her product target price “On the other hand, my ignorance was a fortune. It was beneficial. Especially when I told them that I made it by myself, they were ‘wow-ing.’ My brand has finally become famous. Now it is famous in 83_V4, and 4 ++ $> 4 (mentions two brands of Batik entrepreneurs in Bangkalan who are also well known by the public and often participate in exhibitions) Jokotole has distorted the price, even though it was not my intention. I didn’t know the price, the cost of Batik, because Batik products that I brought to the exhibition borrowed from the artisans”.

Actually, according to BI, JC founder never gets first aid (money), but by using the icon of BI networking, the founder of JC become extraordinary. So until now, JC founder is often asked by Bank of Indonesia to be a speaker founder of JC become extraordinary. So until now, JC

C. Religious Values as A Determiner in Trading

Happiness is not only measured by the amount of money/properties that we have, but rather the willingness to share with others. When the founder JC wanted to take her doctoral degree in Malaysia, her employees were unfortunate knowing that they have lost her and feeling like they could no longer earn money. This made her sad to leave her employees. This phenomenon is in line with the religious nature of Madurese people in living their daily lives, Madurese have a very long historical [16]. The founder of JC is not only close to his employees, but also very concerned about orphans. Because of them, her business blessed.

She told the researcher "I am a widow who was left by her husband through death and had two sons. Both of my children are my motivation to work. With the prayers of my children, I became a success until now. That is how I started to care about the orphans because God will likely grant their prayers. At this point, the consciousness of “I” of the JC founder, aware that I have given some of my wealthiness to others, because of their support of prayers, they can be successful. The importance of sympathizing the orphans as described in the hadiths of the Prophet Muhammad “Rasulullah SAW promises a paradise, for those who care about the orphans, very close to him, as close as the distance between the middle finger and the index finger”. While Ibn Hajar Al-Asqalani Rahmahullah said "This sign is enough to affirm the closeness of the orphan helper's position to the Prophet's position since there is no finger separating the index finger and the middle finger.”

Soothing the heart of a man “Would you like your heart to become soft and your needs are fulfilled? Love the orphans, wipe their faces, and feed them with your food, your heart will be soft, and your needs will be fulfilled.” (Al-Baniy, Shahi Al-Jami’, Abu Darda: 80). Living needs fulfilling. "Anyone who invites an orphan among two Muslim parents, in eating and drinking, so it is enough, he must surely go to heaven." (Narrated by Al-Baniy, Shahih At Targhib, Malik Ibn Harith: 1895).

Therefore, we are still lucky to be allowed to sympathize the orphans because the gates of paradise guaranteed in the hereafter. Allah also promised to those who help orphans, that all their necessities of life would be fulfilled. To help such orphans is like giving the way of God, God will multiply the wealthiness of His servant. The understanding
of "I" by the founder of JC is "I" prefer to help orphans in business. Because I realize that the results of doing business are paid in the hereafter, it can be underlined that "I" by the founder of JC is "I" never loss and always profit, that I can fulfill my daily needs and even own galleries. All of this happened because of the efforts of employees and stakeholders, and of course the prayers of orphans who make it a blessing. From the religious value, it can conclude that in having the business, we need to have faith in the power of sharing, in God, and in the business itself.

V. CONCLUSION

Based on the research formulation about the understanding of business innovation and selling price strategy of Batik Gentongan, this research is trying to dig the values contained in business innovation and strategy. Business innovation conducted by JC founder is the implementation of a profit-sharing system to the labors (Batik artisans). This system is different from the sale system of Batik Genthongan in general that applies the wage system.

While the selling price strategy is by understanding every process of Batik and its philosophy so that founder JC can determine competitive selling price with the excellence of understanding of the product (product knowledge), while the values contained in the business run by JC founder is to support orphans, this is tied as an expression of concern for orphans because the owner of JC has two biological children who happen to be orphans.

This research is expected to be one of the contributions to be referred by the next researchers who want to examine other uniqueness in business, especially Batik. The next researchers can also study the same themes using an ethnographic approach to reveal local cultures contained in the object of research.

REFERENCES