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Modeling of Creative Industry Based on Community Participation in Bali Regency

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***Abstract*—Creative industries are part of economic activity. The development of the creative industry has contributed 11 percent to national economic growth. The role of the young generation is very high towards the development and improvement of the current creative industry. Limited experience and knowledge and risk challenges faced by today's young generation, it is necessary to conduct research studies. The purpose of this research is (1) to analyze the characteristics of the creative industry based on community participation; (2) construct the creative participation-based industry model; (3) to analyze the risk challenges of building industrial creative community participation models. Design research with a qualitative-quantitative approach. Data is collected by survey methods, and questionnaires. The number of respondents is 34 people. Data were analyzed by descriptive qualitative. The characteristics of the participation-based creative industry are characterized by product imitation and product differentiation. Creative industry models do not have product characteristics with clear network patterns, so there are still fluctuating production results and risk challenges. Construction of a community-based creative industry model has a strong partial relationship model The risk challenges faced to build creative industry models are related to the availability of product design, speed of innovation in human resources, skills, market demand, product quality, market demand and customer satisfaction that is culturally different effective communication, and sources of income and living costs. The contribution of the research study is to provide an understanding and anticipation of market risks to creative industry players and increasing innovation and community employment opportunities.**

Keywords—component, creative industry model, community participation

I. INTRODUCTION

The development of the global creative industry is very rapid. Industry creative has an important role to play in supporting human creativity in an effort to improve welfare and happiness. The creative industry has absorbed a lot of knowledge, experience and various information access among the younger generation. The increase in the creative industry has also absorbed many workers and adopted the technology. The creative industry absorbs 13% of the workforce in 2018, an increase from the year 2006 that absorbed employment of 3, 97%. In addition, creative industries contribute 7.8% of the Gross Domestic Product in 2018, which has increased from 4.75% from 2006. This is in line with the statement [1], [2] government policy towards the creation of creative regions is also able to provide value enhancement regional culture and economy, through labor and creative individuals.

Mapping of the creative industry by [3] has been divided into two types, namely: traditional cultural industries (publishing, music, architecture, and engineering, performing arts) and technology (research & development, ICT, advertising). The use of technology in various creative industry derivative products, especially e-promotions, is also able to increase the opportunity value of higher yields. Various products produced from the creative industry are able to improve the welfare and happiness of individuals individually so that the trend of the creative industry develops in certain regions and small rural enterprise categories [4], [5]. Globally, in 1999 the creative industry contributed 4% to economic output. The creative industry in the United Kingdom is able to produce 75% and employment of 50%. In Europe, the creative industry contributes 5% to gross domestic product. The creative industry's contribution to the economy in Indonesia is 11%. However, of the 15 types of Indonesian creative industry, the creative food and beverage industry contributed 5.61% to economic growth. This indicates the importance of product studies and creative industry models by involving community participation. As research is carried out by [4], [6] awareness becomes a prerequisite for shaping experience and creative knowledge, so that economic growth, new knowledge, and new strategies can be formed that can provide ever-increasing results.

Food and beverage products are asparagus-based creative culinary industry products that have not involved much public participation. On the other hand, creative industry products still have the appeal of world market demand and world tourism. This has become a potential opportunity for community value-added and rural tourism development. Various characteristics of creative industry products that are developing at this time have a distinctive characteristic, namely: always growing innovation, products do not always give satisfaction to consumers, speed seeking opportunities, short product life cycles, imitation products (young imitated), high product competitiveness. Although creative industry products are able to contribute to national economic growth, products produced from creative industries are still faced with global market competitiveness and high risk as an easily replicable product. This implies a conflict of ownership rights to the value of money for the actual product work [7], resulting in the risk of exchanging intellectual property rights for the product.

Previous research conducted by [8] found that the creative industry with community participation had no

significant relationship after being tested with a multivariate approach. Therefore, for further testing, partial testing is carried out. The purpose of this research study is (1) to analyze the product characteristics of the creative industry based on community participation; (2) constructing a creative participation-based industry model; (3) to analyze the risk challenges of creative participation products based on community participation. The research hypothesis can be formulated that public participation has an influence on creative industries in Bali Regency.

II. LITERATURE REVIEW

A. Creative Industry

The creative industry as part of economic activity is mainly related to the utilization of knowledge and information. Some people have expressed that the creative industry as a cultural industry [9] is also regarded as a creative economy [10]. Creative industries in Latin America and Caribbean are seen as Orange Economy [11]. Some experts consider the creative industry as an exchange of money in terms of intellectual rights [6]. The creative industry is also viewed from several aspects, namely: lifestyle business, non-profit, larger businesses. The concept of the creative industry in Hong Kong is a focus value chain in the stages of production and distribution. The Inter-America Development Bank affirms that the creative industry as an orange economy is defined as the transformation of ideas into cultural goods and services determined by values and intellectual property. The creative industry contributes to GDP in Europe by 3%, while in Indonesia's creative industry contribution is 11%. The views of various countries see creative industries as diverse, but in general creative industries are associated with: (1) a new knowledge economy, capable of delivering urban regeneration, exploitation of cultural heritage to enhance tourism. In line with other expert opinions as expressed [12] the creative industry was formed by the commitment and social sustainability performance in Pakistan.

B. Community Participation

Community participation in tourism activities, as outlined in [13] stated Tourism is a variety of tourism activities and supported by various facilities and services provided by the community, businessmen, government, and local government. Tourism is a service sector that is inherent in the life of modern society. The foundation of tourism as strength of competitiveness lies in well-managed resources. [14] stated that community participation can be realized in changes in mindset, energy contribution, and material/objects. The tourism sector based on community participation as a strength of the national economy can be seen from the provision of employment, and community income sources. But the reverse view is stated by [15] that exclusive tourists provide economic benefits and negative impacts on sociocultural and environmental conditions. In line with the statement [16], [17] mass tourism has low awareness and responsibility towards the environment, so they only spend natural beauty for their pleasure. Community ecotourism can attract tourists in conservation strategies because it involves the community in the local culture. Therefore, the quality of community resources needs to be used as effectively and rationally as possible towards the economic independence of national tourism.

Based on the literature review and previous research results, the research conceptual framework can be presented in Fig. 1 below.

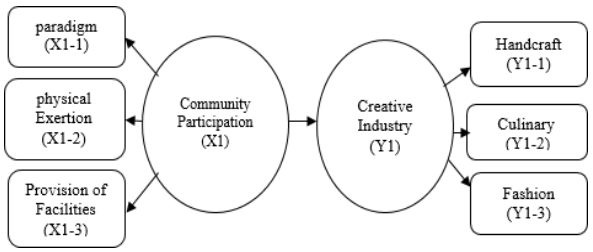

Fig. 1. The research concept.

III. RESEARCH METHODS

The research design was designed with a mixed-qualitative approach. Data is collected by survey methods, and questionnaires. The number of respondents is 34 people. Data were analyzed by descriptive quantitative-qualitative. Sampling uses stratified random sampling. Samples were taken in four districts, namely Denpasar, Badung, Gianyar, and Tabanan. The number of samples is 34 respondents from tourism villages. Data is collected with instruments (questionnaires) with rating scales, interviews, and observations. Questionnaires were arranged using a scale of 1-7. Reliability test and questionnaire data validity were measured by Alpha Cronbach and Inter-Item Correlation Matrix. Factor testing as a variable maker was carried out by factorial test by looking at the value of KMO> 0.50, Loading factor> 60%, and Communalities value> 0.50. Furthermore, the correlation test is carried out and the influence test of the independent variable on the dependent variable is tested by linear regression. The results of the reliability and validity tests can be presented in Table1 below:

TABLE I. TESTING OF RELIABILITY AND VALIDITY

Construct of Community Participation	Reliability (Alpha Cronbach)	Validity Inter Item correlation Matrix
paradigm	0,741	0.601
physical exertion	0,480	0.324
provision of facilities.	0,576	0,433
handicraft	0,741	0.601
Culinary	0,480	0.324
fashion	0,576	0,433

Factorial testing as forming free and bound variables can be done by factorial analysis can be shown in Table II below.

TABLE II. TESTING OF CONSTRUCT FACTOR TO BE DEPENDENT AND INDEPENDENT VARIABLE

Construct of Participation Community	**KMO >0.50**	**Loading Factor 60%**	**Communalities Value >0.50**
X1-1 (paradigm)	0.695	86.51%	0.928
X1-2 (physical exertion)			0.761
X1-3 (provision of facilities)			0.907
Construct of Creative Industry	**KMO >0.50**	**Loading Factor 60%**	**Communalities Value >0.50**
Y1-1 (handycraft)	0.661	75.63 %	0.863
Y1-2 (culinary)			0.818
Y1-3 (fashion)			0.924

TABLE III. MODEL SUMMARY

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of The Estimate**	**Change Statistics**		
					R Square Change	**F Change**	**Sig F**
1	0.525	0.275	0.264	0.7472	0.275	23.545	0.000
2	0.601	0.361	0.264	0.8521	0.351	35.098	0.000
3	0.324	0.105	0.090	1.2129	0.105	72.53	0.009
4	0.433	0.188	0.174	0.7843	0.188	14.316	0.000

IV. RESULTS AND DISCUSSIONS

Based on the concept model in Fig. 1 can be derived from previous research using a multivariate approach conducted by [7], so that the construct of the new model is built with a partial model. Analysis of field data was carried out in three stages, namely: test questionnaire data; factorial test, and partial regression test. The results of the questionnaire test in Table 1 show the results of testing the reliability and validity of the beginner questionnaire data having a range of Alpha Cronbach greater than 0.3, while the questionnaire data test that has been done repeatedly, the Alpha value is greater than 0.50. However, the reliability test results obtained a minimum of 0.480 and maximum of 0.741, while the results of validity obtained a minimum Alpa Cronbach value of 0.324 and maximum 0.601. Referring to the standard value of the questionnaire data test, the questionnaire data can be said to be reliable and valid.

The second stage of the test was carried out with a factorial test to establish variable relationships between community participation and creative industries shown in Table II. Independent variables include community participation with factor paradigm, physical exertion, provision of facilities. Variables are bound by industry creative by handicrafts, culinary, fashion. The whole factor used to form the research variable has met KMO, loading factor, and communalities value standards because the empirical test value exceeds 0.50. Therefore, the independent variable and bound research can be used in the subsequent analysis.

Partial testing of variables is done by regression test as shown in Table III. The results of the regression test are carried out with four relationship models, namely: the relationship between the average value (XR to YR) obtained by the value of Rr of 0.525; the relationship between the paradigm variable (X1-1) with a handicraft (Y1-1) obtained an R1 value of 0.601; the relationship between physical exertion (X1-2) and culinary (Y1-2) obtained an R2 value of 0.324; the relationship between provision of facilities (X1-3) and fashion (Y1-3) obtained R3 value of 0.433. The overall value of R obtained is significant, meaning that the partial model built partially can be used in the study. Thus, all partial R values can be calculated by R2 to measure the creative industry prediction model of community participation in the strong, medium, or weak category. The formula used is shown in the following formula.

$$R^2 = 1 - (1 - Rr^2)(1 - R1^2)(1 - R2^2)(1 - R3^2) \quad (1)$$

$$R^2 = 1 - 0.724375 * 0.638799 * 0.895024 * 0.812511 \quad (2)$$

$$R^2 = 1 - 0.336505 \quad (3)$$

$$R^2 = 0.663495 \quad (4)$$

Based on the results of calculation R^2 from Rpartial accumulation, it can be concluded that the model formed fulfills the criteria for partial model testing. Thus the resulting model can be shown in Fig. 2 below.

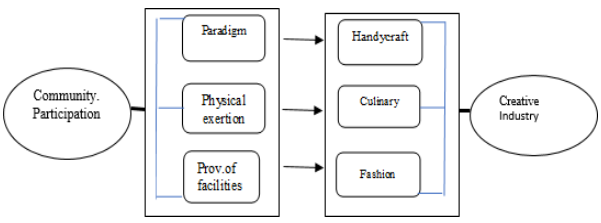

Fig. 2. Empirical partial model.

The results of the coefficient of determination obtained by the strong category or very good. It's meaning that the community-based creative industry can have an effect on economic value-added growth, value chain strategies, and

new ideas. This is in line with the findings [18], [19] the value added of creative products is 7.96%. In line with these findings, it can be said that the creative industry based on community participation can create value chain strategies, to create of the community an income opportunity, rural people's purchasing power, and rural poverty alleviation.

V. CONCLUSIONS

The conclusions that can be formulated from the study are (1) the characteristics of creative participation-based industry products in the province of Bali categorized as imitation products, developing in certain regions, short-term consumer utilities, medium-quality mass products, high-quality ordered products for long processing time; (2) the creative participation model based on community participation has a strong relationship model with a value of 0.66 (66%) (rounding). The risk challenges of creative participation-based industry products related to the development of new ideas, world market share, create a value chain strategy with new technology, in order to contribute to regional and national economic growth and elasticity growth 31% [20]-[22]. Other risk challenges are the availability of product design, the speed of innovation of human resources, skills with new technology, access to market demand, product quality, creating customer satisfaction that is culturally different, effective communication, and a source of income as a living cost. Recommendations on the results of this study should be carried out with further studies related to the behavior of creative industry entrepreneurs in creating global competitiveness.

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