

Developing an Indonesian Local Culture Business Model

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ABSTRACT

Indonesia has many beautiful local fabrics. However, its businesses are rarely well developed. This study focuses on songket Silungkang, local fabric originally from West Sumatra, Indonesia. As a part of the fashion sub-sector with a creative economy, Silungkang is capable to drive the Indonesia economic growth. The current clothes made of Silungkang have not fulfilled the wishes and tastes of the millennial generation as the customer and respondent of this study. This study aims to develop a new business opportunity of Silungkang, which is a semi-formal outfit that combines songket and modern fabrics for the millennial generation. This research identified respondent's problems, identified the previous business model, identified a new business plan to match the the millennial generation preferences, and determined a verified business model. This study employed a customer development method. The results of this study are variant types and models of casual semi-formal clothing for the millennial generation. This research found a verified business model with two designs for women and one design for men.

Keywords: *Business model canvas, Customer development, Semi-formal outfit*

1. INTRODUCTION

Indonesia is a developing country that has a lot of beautiful local fabrics and currently focused on national economic development and economic growth. [1] states that the creative economy is an economic activity in a society that spends most of its time generating ideas, not just doing routine and repetitive things. Based on this, the character of the creative economy is characterized by economic activities that are based on the exploration and exploitation of creative ideas that have high selling value. According to Law No. 24 of 2019, creative economy is a new concept in the economy by prioritizing the added value of an intellectual property right born of human creativity, based on science, cultural heritage, and technology [2]. The creative economy consists of 16 sub-sectors that drive economic growth. The creative economy is dominated by the top three sub-sectors, namely the culinary industry with a percentage of 41.40%, the fashion industry is around 18.01%, and the craft industry with a percentage of 15.40%.

The songket industry is a small and medium enterprise which is currently undergoing a development. Although it is not as well-known as batik, the popularity of songket is growing. One of the songket-producing provinces in Indonesia is West Sumatra which is centered

on two regions in West Sumatra, namely, Pandai Sikek and Silungkang [3]. Songket is one of the Indonesian cultures classified in the brocade woven family. In recent years, woven have begun to boom, such as batik. However, in its development, the response of the Indonesian people to weaving is more difficult than batik because the woven fabric is heavy which causes inconvenience in use. Moreover, the woven fabric is still produced hand-made so that the price is also quite expensive. For this reason, weaving is often owned, collected, used by certain segment groups [4].

Songket has the potential to be developed not only nationally but also internationally. However, songket has not attracted the attention of the millennial generation. This generation does not have much information and education about songket, so that songket does not yet have a target market for the millennial generation. In Indonesia, the millennial generation is a large enough domestic market target to enter. However, millennial has a low level of frequency of using songket [5]. This research provides a solution in the form of a clothing business model that combines songket and modern fabrics so that the millennial generation is interested in using it. There is business potential that can be developed in the creative economy sector, especially in the fashion

sub-sector with the target customers being the millennial generation.

The objective of this study is divided into two, which are: 1) Identifying the problem of the respondent with songket through the problem testing stage and 2) Identifying the business plan as a songket clothing product for the millennial generation.

2. MATERIALS AND METHODS

This research was conducted for five months and data collection was carried out online. Data collection carried out by filling in online questionnaires to respondents who were selected according to the characteristics, which are age and location. The questionnaire covered data required, such as characteristics, behavior, problems and expectations experienced and desired by consumers. Around 50 respondents selected by using a non-probability sampling method with a purposive sampling approach. This study utilized a qualitative method with a customer discovery analysis approach. Customer discovery or customer search is the first stage in customer development. Customer discovery consists of four stages, namely identifying hypotheses, testing problems, testing solutions, and verifying business models. The sub-stages and outputs displayed are tailored to the needs and objectives of the study.

3. RESULTS

In 2012, there were 23 business units of songket weaving with a total workforce of 573 people in Sawahlunto. In 2014, there were 312 craftsmen in Silungkang area. In 2016, there were 796 craftsmen. In 2018, there was 914 craftsmen in Sawahlunto. There is an increase every year, along with the training program facilitated by the local government.

The millennial generation as target market has diversity in their taste in clothing. The results of the questionnaire filled out by 65 respondents showed that the millennial generation has a variety of dress tastes. The percentage of the variety of clothing styles favored by the millennial generation, namely 52% of respondents stated that the preferred type of dress is casual. As many as 30% of respondents stated that their preferred type of dress was semi-formal. As many as 6% of respondents stated that the preferred type of dress was formal and as much as 12% of the preferred types of clothing were sporty.

The clothing model that is often used by respondents in their daily activities shows that the clothing model is a clothing model that can become a potential model that will become the basis for the product production process. The clothing model will be used to design the final product. The results of the questionnaire filled out by 65 respondents showed that the percentage of the variety of dress styles favored by the millennial generation, namely

32% of respondents stated that the preferred dress model was casual which had a relaxed and simple impression. As much as 3% for the percentage of vintage or retro clothing models that seem old fashioned and unique. Each percentage is 4% for layering models that seem stacked and stylish and formal that seem neat and elegant. As much as 14% for the oversized model which seems oversized and comfortable. As much as 6% of bodyfits that seem fit and accentuate body curves and the percentage of clothing models is 6% for syar'i clothing models that seem polite and closed and a percentage of 21% for semi-formal clothing models that seem neat but still relaxed and finally the percentage of models 10% sporty clothing that has a relaxed and uncomplicated impression.

Based on data collected, it can be seen that the percentage of respondents in knowing Silungkang songket is 53.8%. The millennial generation has a high interest in songket clothing based on data taken as many as 85.9% of respondents are interested in songket cloth, while the remaining 14.1% are not interested in songket clothes. Several questions were asked related to the respondent's interest, namely the percentage of respondents' interest in the presence of songket cloth fashion design services that were in accordance with the requests and requests of potential consumers as well as the percentage of respondents' interest in fabric products. semi casual songket. Based on this question, the percentage of both of them is 95.4% interested if there is a songket cloth fashion design service that suits consumer preferences. The percentage of respondents' interest in semi-formal casual songket products is 93.8%.

4. DISCUSSION

This research reveals a variety of problems and consumer expectations. Consumer problems are obtained from complaints or dissatisfaction with the current models and methods of use, which are design, pattern and colour, price, and fabric. Consumers' expectations are reflected in respondents' considerations when choosing to use other traditional clothing products such as batik instead of songket clothing. Respondents' expectations are focused on several categories, namely the feeling of being the center of attention, not being strange to use, looking fashionable, comfortable to use and as a form of cultural introduction. Based on this category, the respondents indicated that the highest expectation that the respondents wanted was to look fashionable when used in daily activities but still have cultural values with a percentage of 36%. This data illustrates that most respondents feel that the current songket product does not look fashionable to use so that the millennial generation rarely uses it.

The elements that are the focus of business model development include customer segments and value propositions. Renewal of customer segments is based on

data on the results of problem testing in the form of the respondent's profession and age of the respondent. Respondent data based on professional background and age shows that the biggest target market is students and respondents aged 21-25 years. Based on this, the customer segment at null BMC is considered appropriate. However, there is a new factor, namely respondents who are interested as potential customers.

In this study, the appropriate value proposition for the business model is songket clothing design using a combination of songket cloth with modern fabrics, comfortable songket clothing to use, affordable prices, semi-formal casual clothing designs and design services and making songket clothes according to demand order. The value propositions in the form of fashionable songket clothing designs are transformed into songket clothing designs using a combination of songket and modern fabrics that still pay attention to fashionable and unique models and also focus on casual semi-formal designs. This is done so that the songket clothing designs made are not too stiff by customers. The unique songket clothing design is expected to reduce the formal impression of songket clothes. In addition, there are also additional services for the design and manufacture of songket clothing in accordance with the respondent's request as a potential customer. It is intended that respondents feel songket can be clothes that follow the respondent's current taste in clothing.

5. CONCLUSION

There is an increase number every year of craftsmen in Sawahlunto along with the training program facilitated by the local government. The millennial generation as target market, choose casual dress as first favored clothing styles. The second one is semi-formal clothing models that seem neat but still relaxed. The millennial generation has a high interest in songket clothing, especially millennials' interest in semi-formal casual songket products.

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