



Market Response to Batik Products and Its Development: Exploration Study of Local Wisdom Products

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Abstract. This research aims to explore the batik market's response and obstacles based on consumers' basic preferences or motives in purchasing batik products. The data used is primary data, namely the responses from research informants regarding the market response for batik products. Data was collected through open interviews with consumers and batik sellers in DIY. The data analysis technique is qualitative descriptive. Based on the consumer perspective, it is concluded that the motive for using batik products is the need for formal events, consideration of aspects of tradition or culture and elements of work. Consumers choose batik products based on motifs, patterns, colours, and material quality. Batik production experiences product demand due to support from the government in promoting batik through various government work programs. The existence of an obligation or appeal to use batik from several agencies also encourages demand for batik products. Batik endorsers from young people encourage the growth of interest in using batik among young people. The obstacles faced by producers in market development are the lack of hand-written batik makers with traditional batik skills, limited natural batik materials, weather dependence in the production process, changes in market demand, traditional marketing processes, and minimal knowledge of social media marketing. The demand for innovation is part of the obstacle to competing in production or developing the Batik market.

Keywords: Batik market share, market response, local wisdom products, MSMEs.

1 Introduction

Apart from acting as a driving force for the economy, MSMEs also absorb many workers in various business sectors. The growth of MSMEs is relatively rapid. It was recorded that in 2014, the number of MSMEs in Yogyakarta city operating in the chemical and building materials sector amounted to 101 units, the metal electronics sector amounted to 191 units, the clothing and leather sector amounted to 394 units, the craft sector amounted to 453 units and the food sector amounted to 943 units. Spread across 7 sub-districts. This data shows the vast potential in the craft and food MSME sector by having several superior products in the craft and catering services sector. Many local Indonesian handicraft products have export value. They are interested in developed countries like Germany, which specializes in textile products like silver metal, wood, stone, and bamboo crafts. Locally sourced crafts reflect the relationship between the environment and local communities in historical, cultural and social contexts [1]. Based on data from the Central Statistics Agency (BPS) for June 2014, Yogyakarta has an export value of craft-based

creative industry commodities of around IDR 323 billion. There are 102 commodities exported from 115 exporters, and the top three export destination countries are America, Germany, and Japan [2].

Batik is one of the leading commodities from Yogyakarta. This superior commodity is based on local raw materials, has an export orientation, and has the potential to support the local economy. Yogyakarta is a barometer of creative products that contain cultural values and local wisdom, with batik products as the city's main and superior export commodity. On October 18 2014, the World Craft Council designated Yogyakarta as the World Batik City [3]. This determination was carried out at the 50th anniversary of the World Crafts Council in Donyang City, Zhejiang Province, China, 18-23 October 2014. Before the determination, an assessment team from the World Crafts Council visited Yogyakarta to assess Batik and its relationship with cities and centres. existing batik centres as reported in <https://jogjaheritagesociety.org>. Apart from its role as an Indonesian icon, which includes elements of cultural heritage, Batik is a cultural heritage that is very important to preserve and develop. Batik, as a local wisdom product, has various vital roles such as a communication medium for learning local products [4, 5], globally competitive products [6], cultural development [7,8]. Batik also acts as a cultural heritage that has the potential to support the local economy. Batik has good prospects for industrial growth in Indonesia [9]. Hengky [10] explored the fact that Batik has unique local cultural content, which can become a competitive advantage for the batik industry in Indonesia. In 2009, Batik was confirmed as a non-material cultural heritage by the United Nations Educational, Scientific and Cultural Organization (UNESCO), which is both a matter of pride and a challenge for the Indonesian state [11]. Batik, seen from a socio-cultural aspect, has penetrated the global market [12]. Philosophically, Batik comes from a Javanese term with the root word *tik*, which refers to work complete of artistic elements done smoothly, gently and in detail. *Tick* also refers to making fabric patterns by dripping wax with a canting to form a pattern from a patterned arrangement of dots and scratches. In manufacturing, Batik refers to a colouring technique that uses wax as a dye on fabric with motifs and patterns with specific characteristics as a symbol.

Yogyakarta is a cultural city that is a center for the growth of Batik in Indonesia. In its cultural aspect, Batik has become a part of people's lives in Yogyakarta. Yogyakarta's typical Batik cannot be separated from the history of the Islamic Mataram Kingdom, which has produced one of the distinctive motifs of Mataram clothing. The Batik, typical of the Yogyakarta palace's uniqueness, is still maintained in terms of motifs and colours. Batik is integrated into everyday clothing and sacred activities in the Yogyakarta palace environment. Batik is also commonly called "carrying" cloth in people's lives. Batik has experienced developments from being initially used in the realm of fashion to being developed in the realm of decoration and economic investment. The implementation of free trade in the Association of Southeast Asian Nations (ASEAN) area encourages competition in the batik industry in Indonesia, where the products and commodities entering Indonesia come from several foreign countries. Indonesia must prepare the right strategy to deal with this situation. Low competitiveness and the inability to compete with imported products are areas for improvement in managing local products in Indonesia [13].

Increasing human resource competency and business excellence values is needed to increase the competitiveness of the national industry. The problem of innovation and technology adoption in the production process is a weakness in facing global business competition. Therefore, technology that touches the batik industry is needed as a local

strength in production. Apart from that, understanding market response can be a consideration in developing the competitiveness of the batik industry. Batik products are also one of the most frequently purchased crafts compared to other craft products [14]. Research related to Batik is still very limited in Indonesia [15], especially studies regarding market responses from various perspectives. Many studies on the Batik industry are seen from an organizational perspective, such as business financial calculations [16], SMEs or industrial clusters [17] or entrepreneurs themselves [18]. By the balance between the law of demand and supply, studies regarding market response from the demand or consumer aspect [19, 20] are still minimal and have not revealed motives based on local wisdom perspectives, including combinations based on the seller's point of view. or market players. Several studies have studied Batik and its market development, such as Hengky [21], who found that Batik businesses in Yogyakarta can innovate and adapt based on the tourist perspective.

Yaacob et al. [22] and Faizah & Rafi [23] studied the development of the batik industry in Malaysia based on an environmental responsibility perspective. Hussin et al. [24] successfully studied technology adoption in the batik industry in response to market innovation. Based on this development phenomenon, this research aims to explore more in-depth information regarding market responses from the perspective of consumers and producers regarding Batik, especially in Yogyakarta. The controversy over the acceptance of Batik in society and the shift in the cultural meaning of Batik are aspects of attraction in this research. Another thing is the need for batik production innovation that is appropriate to cultural developments. Adapting skills using technology or resource competence is a demand for batik market development. The existence of ever-changing market needs and the influx of imported products, which are part of the competition for Batik in the country, make the problems faced in developing the batik market more complex. Companies that can be market-oriented will be able to compete [25, 26]. This phenomenon plays a vital role in product competitiveness and the ability to continue to exist in an era of global business competition. Product competitiveness can increase market share and profitability, allowing companies to set higher prices and create consumer loyalty [27].

In principle, problem formulation refers to extracting information related to market responses from the perspective of consumers and batik sellers. The problem formulation is specifically described as follows:

1. What are the primary reasons for consumers to buy batik products?
2. What is the market response for batik products based on the perspective of batik sellers?
3. What obstacles do batik sellers face in developing the batik market?

2 Methods

The research paradigm used is relativistic, and it explores existing problems. The primary data type used in the research will be obtained using questionnaires and open interview methods. In conducting the survey, researchers used a personal approach to explore information regarding the market response to local wisdom products from the perspective of consumers and batik producers. Information will be extracted based on the consumer's perspective, including motives or preferences for buying and choosing batik products, and

based on the producer's perspective regarding batik purchasing power, batik market developments and obstacles faced by the batik industry. The informants who were the source of information in this research were consumers and sellers of batik, especially hand-written batik in DIY. The consumers who were used as respondents were consumers from various age groups to represent cross-generational groups. The sellers who serve as informants are batik sellers who already exist and have experience in marketing batik products. It is hoped that responses based on these two perspectives will provide synergistic feedback in developing batik products and be able to face the obstacles faced by batik sellers. The data analysis method in this research uses interpretive qualitative descriptive. The research aims to understand the phenomena experienced by research subjects holistically, using descriptions in the form of words and language in a unique natural context and utilizing various scientific methods [28].

3 Results and Discussion

The analysis was carried out descriptively and exploratively. Data was collected using questionnaires and interviews to explore information based on the consumer's perspective, including motives or preferences related to batik purchasing power, and based on the producer's perspective regarding the development of the batik market, including the obstacles faced by batik sellers in developing the batik market.

3.1 Consumer Perspective

Data was collected from 214 respondents who used batik products with various characteristics such as gender and age. The characteristics of respondents based on gender obtained in this study are presented in the following table:

Table 1. Percentage of Respondents' Gender

No	Gender	Frequency	Percentage
1	Male	112	52%
2	Female	102	48%
	Total	214	100%

Respondent characteristics based on gender were grouped into two types: male and female. From these data, it can be seen that the number of male respondents can be said to be equal to the number of female respondents. There were 112 male respondents, or 52%, while there were 102 female respondents, or 48%. Based on the characteristics of the respondents, it can be concluded that the respondents in this study were balanced between male and female respondents, thereby reducing gender bias in obtaining the required information.

The characteristics of respondents based on age obtained in this study are presented in the following table:

Table 2. Percentage of Respondents' Age

N	Age	Frequency	Percentage
1	< 30	27	13%
2	30-40	56	26%
3	41-50	96	45%
4	> 50	35	16%
	Total	214	100%

Respondent characteristics were classified based on age into four age groups. Most respondents were in the 41-50 year age group, namely 96 people (45%). The age group <30 years is 27 people (13%), which is the lowest frequency, and the age group over 50 years is 35 people (16%). The 30-40-year age group was 56 people (26%). This study's respondents showed representation from ages ranging from less than 30 years to over 50 years. Based on the consumer's perspective, the motives for using batik or the underlying reasons for buying or using batik can be identified as follows:

Table 3. Motives for Using Batik Products

N	Motives	Frequency	Percentage
1	Traditions/cultural values	56	26
2	Occupation	43	21
3	Pride	11	5
4	Recommendation	9	4
5	Trend	11	5
6	Formal events (weddings, meetings, committees and so on)	84	39
	Total	214	100

Consumers use batik products because of the need for formal events such as weddings, committees or meetings, numbering 84 respondents (39%), while the reason is because they respect cultural values or traditions, numbering 56 respondents (26%). Consumers who use batik are due to the work demands of 43 respondents (21%), a sense of pride, and following of 11 respondents (5%), as well as recommendations from other people for 9

respondents (4%). Most consumers use batik products due to the need for formal events and attention to cultural traditions and occupation aspects. Based on the consumer perspective, it can be seen that the motives that consumers consider in choosing batik products are as follows:

Table 4. Motives for Choosing Batik Products

N	Motives	Frequency	Percentage
1	Types of batik (written or printed)	19	9
2	Price	26	12
3	Motif/pattern/color	118	56
4	Quality/material	33	15
5	Origin (region)	18	8
	Amount	214	100

Consumers consider aspects of choosing batik products as motifs/patterns and colours for 118 respondents (56%) and quality or material considerations for 33 respondents (15%). Consumers who chose batik considering price were 26 respondents (12%); the type of batik, namely written or printed, 19 respondents (9%); and, considering the origin of the batik, 18 respondents (8%). Most consumers choose batik products based on motifs/patterns/colours, and some consider the quality of the materials.

3.2 Seller Perspective

Based on the known results of interviews with batik sellers as a source of information, several things stimulate the growth of demand for batik products. The government's involvement in promoting Batik also encourages the growth of the Batik industry. Government promotional assistance in various government work programs at the central and regional levels helps with promotional and educational activities for batik products. Besides that, several agencies' obligation or appeal to use Batik encourages demand for batik products. The following is an excerpt from an interview with the informant:

Since the government has joined in promoting Batik, batik cloth has become increasingly popular among various groups (Seller 1)

In some offices or agencies, it is mandatory to wear Batik, so inevitably, batik cloth becomes a mandatory clothing material (Seller 2)

Batik is an ancestral culture, and currently, Batik is liked by young and older adults, including children (Seller 3)

The school also plans to wear batik clothes so that the level of demand for Batik also increases (Seller 4)

The existence of young models or artists who use Batik becomes a strong endorser for young consumers (Seller 5)

The obstacles batik sellers face include a lack of written batik makers who can make Batik for traditional, natural batik materials, dependence on the production process, changes in market demand, traditional marketing processes, and minimal knowledge of social media marketing. The demand for innovation is also an obstacle to competing in production. The following is an excerpt from an interview with the informant:

Batik makers must be innovative so they can produce Batik that is different from their competitors and also suits the tastes of young people (Seller 5)

Batik makers need to know about art so that the results contain artistic value (Producer 6)

Natural ingredients are still limited in availability, and the results require the correct mixture so that the desired colour can be obtained (Seller 7)

The problem with drying traditional Batik is that it still depends on the heat of the sun, so the results take a long time (Seller 8)

Batik enthusiasts are currently also reaching the younger generation, who have different tastes; batik enthusiasts need to adapt to the tastes of the younger generation so that it does not look old-fashioned (Seller 9)

Currently, sales are still word of mouth and offered directly to distributors or direct sellers; for online or social media sales, you need to know the correct method and strategy (Seller 10)

Sellers need to maintain the quality of Batik in terms of materials and colouring. The quality of Batik is determined by the material and colour in designing the motif. In expanding their market, Batik sellers need to collaborate with specific agencies to meet the demand for Batik. However, cooperation is still local and needs development by expanding their business abroad, which requires assistance in building networks. The following is an excerpt from an interview with the informant:

Many batik producers collaborate with distributors from abroad (Seller 1)

The quality is well maintained, the material is smooth and durable, and the colours blend in the Batik so that the motif is created satisfactorily (Seller 2)

Collaboration with agencies, schools and companies that need batik uniforms helps the absorption of the batik market (Seller 3)

Batik producers need help from the government to introduce overseas distributors in developing overseas markets (Seller 4)

Most consumers use batik products considering the needs of formal events where Batik plays a part in social interaction by paying attention to cultural-tradition values and work aspects. Consumers choose batik products based on motifs/patterns/colours, and some consider the quality of the materials. This statement is consistent with research by Nurfikriyadi [29], which shows that product design and quality are determining factors influencing purchasing decisions for batik products. Based on material culture aspects, Batik contains several local wisdom, creativity, and product identities, such as local wisdom, environmental inspiration and values, interaction values in society, and the depiction of innovative concepts. From the perspective of batik artefacts, batik makers modify artistic expressions and emotions based on cultural values [30]. Batik is also related to motifs, patterns and colours in creating unique and cultural batik products [31]. The strength of Batik lies in the story value aspect through hand-painted motifs. These cultural values are internalized in batik products and have a valuable impact on the wearer. As a

heritage product, Batik has a philosophical value attached to its pattern and use. There is increasing business competition with the discovery of batik printing technology, which has cheaper production costs and faster production than written Batik [32]. This fact encourages batik producers to be more innovative and able to adapt to changes in consumer tastes and segmentation patterns.

On the other hand, Batik has the dual characteristics of being a heritage product and an apparel product. Batik, as a heritage product, really has philosophical values attached to it through its patterns, motifs, and everyday use. The government's involvement in promoting Batik encourages the growth of the Batik industry. Apart from that, the obligation or appeal to use Batik from several agencies encourages demand for batik products.

Conclusion

Based on the analysis results, it can be concluded that based on the consumer's perspective, batik products are used due to the need for formal events such as wedding receptions, committees, or meetings. In contrast, consumers choose batik products based on motifs, patterns, and colours, partly because of quality aspects. The representation of cultural values inherent in batik products is relevant to the daily activities of socially acceptable users when interacting. Based on the seller's perspective, batik products are experiencing rapid development due to support from the government in promoting batik. Apart from that, several agencies' obligation or appeal to use batik encourages demand for batik products. The role of young endorsers in using batik will encourage young people to become interested in using batik. Obstacles faced by several batik producers include the lack of written batik makers who can make batik from traditional, natural batik materials, dependence on weather in the production process and, changes in market demand. These marketing processes are still traditional, and there needs to be more knowledge of using social media marketing. The demand for innovation is also an obstacle to competing in production. Batik sellers expand their markets overseas and maintain the quality of batik in terms of materials and colouring. Sellers also collaborate with specific agencies to meet batik demand.

Based on the findings and conclusions in this research, several practical recommendations can be given to the government to increase the socialization of batik products to strengthen the image of batik, including using endorsers from young people to encourage interest or liking for batik products. Batik producers need training in batik production involving traditional batik makers who have mastered the art. The need for innovation is part of batik production, which produces products that have differentiation value and adapt to developments in people's tastes without eliminating existing cultural meanings. Training that stimulates innovative power can become a program to increase the capacity of batik makers to produce innovative works. Understanding social media as a marketing tool is also necessary for marketing batik products. Collaboration with agencies or companies that are B2B (*business to business*) will increase the development of the export-oriented batik market. Regional governments can help build networks to expand the batik market share overseas. This research has limitations only based on the conditions of

the batik market based on the perspective of consumers and sellers in the DIY region, which has characteristics close to the cultural values of the Palace, which are undoubtedly different from other regions. Further research can carry out comparisons or expand studies in other areas to enrich the variety of findings.

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