

Increasing Market Share and Product Innovation on Patchwork Handicraft of the SMEs “Kartini Bordir” in Kedurus, Surabaya, Indonesia

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Abstract—One of the micro businesses engaged in the Handicraft in Surabaya is Kartini Bordir. It is engaged in the processing of patchwork waste combined with various kinds of fabric for various handicrafts. The problems faced are lack of innovations, where variations and capacities of the products carried out are still lacking. The marketing range is limited to local marketing and also business management is still very limited. These are because the product equipments are still simple and the ability of knowledge in marketing is still limited. The purpose of these activities is to increase variation, capacities and expand market share. The methods used are introducing the required equipment, training and business management assistance. Efforts to overcome these problems are by procuring machinery and equipment, conducting skills training using tools and machines using the Learning-by-Doing method, as well as providing training and mentoring of marketing techniques and strategies. In order to increase market share, by making marketing media such as brochures and banners. The results achieved after the procurement of machinery, training and marketing assistance are the increasing variations of the product, wider marketing share. After these activities are concluded, the product capacity increased 3 times and the marketing range became more widespread.

Keywords – Handicraft; Patchwork; Innovation; Market Share

I. INTRODUCTION

The creative industry is seen as increasingly important in supporting Indonesia's economic development, various parties argue that "human creativity is the main economic resource" that the twenty-first century industry will depend on the production of knowledge through creativity and innovation. At present, Indonesia has a lot of SMEs in the creative business sector. Creative activities related to the creation, production and distribution of products made are produced by craftsmen who start from the initial design to the completion of the product.

One of the SMEs engaged in the processing of patchwork waste, is the UKM "Kartini Bordir". The definition of Patchwork is a piece of fabric waste that is seen by some people as waste or goods that no longer have benefits. However, by the UKM "Kartini Bordir" this waste can be transformed into a variety of very interesting new products. Products produced by UKM "Kartini Bordir" A blend of fabric with Patchwork into various kinds of Crafts in the form of various wallets in shape and size, Bags for casual and official and other handicrafts using Embroidery techniques.

If there are orders in large quantities, there are times when SMEs experience problems due to the limited tools they have, namely experiencing a delay in the cutting process of the fabric. In fact, there are times when cutting fabric is less or not precise. Since the process of cutting the cloth is still done manually one by one by using scissors, thus it makes difficult to innovate products. Besides that, marketing is still very limited, leaving production goods in various shops in the mall, participating in bazaars and also various exhibitions, especially in the Kertausila Gate area (Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo and Lamongan)

In terms of business management, financial management is still done simply, still need to get training and mentoring, about marketing and business bookkeeping. The selling price of the product varies between Rp. 15000, - up to Rp. 150,000, - depending on the size of the product and the level of difficulty of the product. Raw materials used: Jean's colorful fabric, other types of fabric, patches (waste of colorful fabric) Embroidery threads. The equipment used: scissors, sewing machines, embroidery machines. Production process flow of making patchwork bags/wallet/handicrafts are forming pattern, preparing materials, sticking the patchwork, sticking patterned patch, embroider, sewing and the last process is packing.

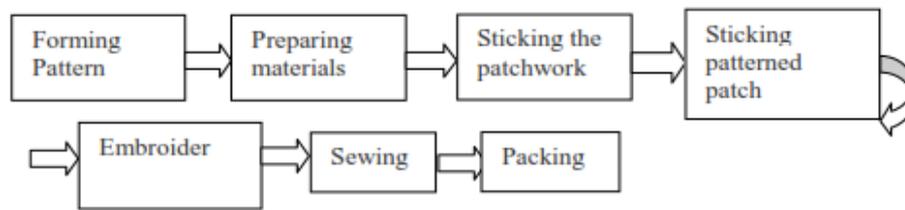


FIGURE I. PRODUCTION PROCESS FLOW

A. Problems

From the description above identified several problems faced by SME Kartini Bordir":

- a) Variations and capacity of the products carried out are still lacking, because the cutting tools and machines used are still manual, these results in not fulfilling some souvenir or handicraft orders, even though the ability to product innovation from owners and employees is still sufficiently developed.
- b) Marketing is only done by entrusting to several counters or shops, bazaar events, exhibitions and bookings from consumers only, due to lack of marketing management knowledge, so that the reach and market share are still very limited.
- c) Business management is still very limited, especially marketing strategies and financial management.

B. Activity objectives

The aims of this activity from mentoring and community service activities are:

- a) Procurement of Electric Fabric Cutting Machines (Rotari) makes it easier for craftsmen to cut large quantities of fabric and to be more precise. The work process will speed up so the products innovation will increase as well.
- b) Procurement of the Walking foot machine to fold the edges of the bag, the purpose is to make the surface smooth and flat.
- c) Increasing skills in tools and machines usages by conducting training. Training and mentoring on business management and simple bookkeeping were also held.
- d) To expand marketing, training and management assistance and marketing strategies and procurement of marketing media are conducted, in the form of brochures and banners that can be used when participating in exhibitions and other marketing events.

C. Activity methods

- a) Identifying several problems faced by UKM "Kartini Bordir"
- b) Procurement of Rotary Electric Fabric Cutting Machines making it easier for craftsmen to cut large quantities of fabric and not deviate or precision. Speed up, work process. And procuring a Fabric Cutting Table
- c) Procurement of Walking foot machine equipment, to fold the edge of the bag using a wire, its function is like making a bag similar to a bag from the factory, smooth and flat
- d) The approach method used is the Learning by Doing method and participatory method. The point is that the craftsmen in the training do not have to leave their jobs. In the training process it is carried out simultaneously with the craftsmen doing their work. It is expected that the training provided can be received and implemented properly, in the process of training and mentoring the involvement of handicraft craftsmen directly in the application.
- e) Procurement of Brochures and Banners as a Marketing media

Here is the thought process of mentoring and training:

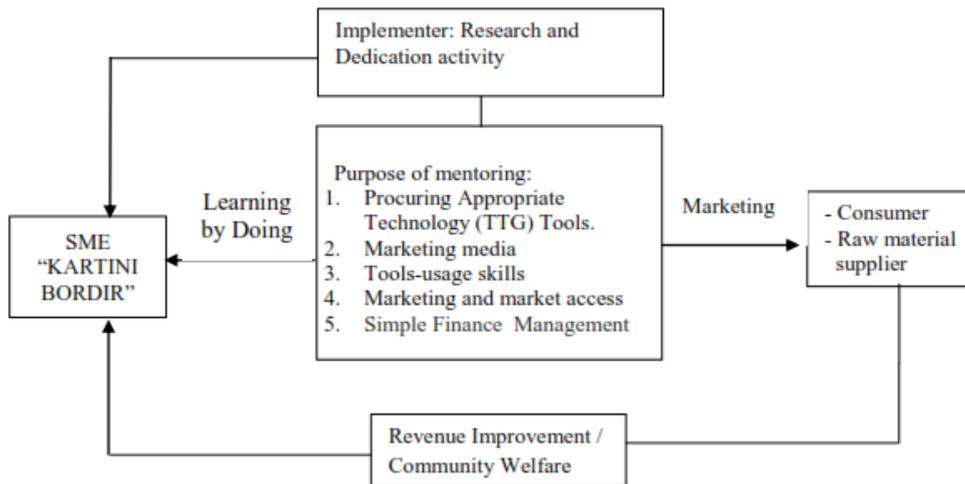


FIGURE II. THOUGHT PROCESS OF MENTORING AND TRAINING

II. LITERATURE REVIEW

Patchwork Handicraft products is as one of the Creative Industries. The definition of the creative industry itself according to the Department of Commerce in the 2007 creative industry mapping study in the Indonesian Creative Economy Development book 2025 (2008) is: "Industry derived from the utilization of creativity, skills, and individual talent to create prosperity and employment through the creation and utilization of power the creation and creativity of the individual." Types of Creative Economy: Advertising (advertising), Architecture, Art Goods Market, Craft, Design, Fashion, Video, Film and Photography, Interactive Games (games) Music, Performing Arts (showbiz), Publishing and Printing, Computer Services and Software, Television & Radio (broadcasting), Research and Development (R & D), Culinary (Ministry of Trade, 2007).

A. Market Share

Expanding market share can be said to increase business. This is because if the market share increases, then of course the demand will increase, then the number of products produced must also increase, including production power will increase.

There are 6 strategies to expand market share:

1. Increasing products and new services: Sounds simple, only adds new products and services. However, to carry out this strategy seriously, it takes hard work. Must know what products and services consumers want. In addition, how many of them want to pay for the number of new products and services. Furthermore, it is about whether we are able to fulfill their requests or not. In order not make it just a dream, market research needs to be done to find out what the market wants and how many.
2. Selling Products and Services to Existing Customers with an increasing number: A market segmentation analysis is needed to identify the segment of consumers who buy the most. In this way, it can increase the number of sales to existing customers. Next, focus on sales and marketing strategies that focus on this segment. This strategy also sounds easy but it is quite difficult to implement it if not by market segmentation analysis.
3. Expand the Market to New Regions: Here, potential new customers are sought. It requires field research so that the products sold will be accepted by new customers. Market research is conducted to determine which areas will be the target market. If the potential is large, then the next step is to choose a strategic location to market the product to new customers as close as possible.
4. Target Markets and New Customers: Usually, business people will market their products based on certain demographics such as age, location, gender or psycho-graphic such as activities, certain interests or values. However, if only that, it certainly will not get more new customers. By utilizing media promotions and the right time such as advertisements, sales promotions etc. will expand market reach.
5. Enter the New Trading System: This strategy is used to enter the new business world, namely online marketing. There has been a lot of small shop evidence and then turned into a big one when he managed to utilize technology and online

marketing systems. With good media and online marketing strategies, it can increase sales without limitation of space and time. Next, do a new delivery system either with its own fleet or with freight forwarding services.

6. Takeover another business: If a business is seen as still lacking a number of markets or to reach a wider market, it can be done by taking over other companies or businesses. For example, Facebook wants to increase the number of customers and reduce competitors, and then Facebook will buy Instagram and WhatsApp. That way, Instagram and WhatsApp customers have automatically become Facebook company customers.

B. Market Expanding Strategies (Jatmiko, 2014)

1. Penetration Strategy. It means that the company is looking for ways to increase market share for its current products in their current markets. There are three main ways that can be executed by the company, namely: (i) Increasing the number of buyers of the same segment; (ii) Increasing the purchase frequency; and (iii) Increasing the number of purchases.
2. Expansion: Companies need to find new markets whose needs may be fulfilled by the company's products now. There are three ways that companies can do that is the New Geographic Market.

C. Product Innovation

Innovation is a product or service perceived by consumers as a new product or service. Simply put, innovation can be interpreted as a breakthrough relating to new products. But Kotler (2004) added that innovation is not only limited to the development of new products or services. Innovation is also included in new business thinking and new processes. According to Buchari (2004) innovation means observing consumers to find and satisfy their customers by providing new products. Keeh *et al.* (2007) explained that innovation is really important because of these reasons:

1. Technology changes quickly with new products, new processes and services from competitors, and this encourage entrepreneurial efforts to compete and succeed.
2. The effect of environmental changes on the product life cycle is shorter.
3. Consumers today are smarter and demand fulfillment. Expectations in fulfilling needs expect more in terms of quality, renewal, and price
4. With markets and technology changing very fast, good ideas can be easily replicated, and this requires a method of using the product, a new and better process, and faster service.
5. Innovation can generate faster growth, improve market segments, and create better corporate positions.

Without innovation, the company will not last long or compete in the market. This is due to the changing needs, desires, and requests of customers. Customers will not always consume the same product. Customers will look for other products from other companies that feel they can satisfy their needs, something that is related to the goods, services or ideas that are felt by someone (Hidayati, 2011). Therefore, there is a need for continuous innovations to attract customers' attention so that the company remains standing for its efforts.

D. Product innovation indicator

Product innovation should be able to provide added value compared to similar products (product excellence) so that it can make the company have advantages compared to its competitors. Luke and Ferrell (2000) explain the existence of several indicators of product innovation:

1. Line extensions, namely the products produced by the company are not really new but are relatively new to a market.
2. New products (me too - product) are new products for the company but not new to the market.
3. A completely new product (new - to - the - world - product) is a product that is new to both the company and the market.

E. Innovation characteristic

These are 4 characteristics of innovation:

1. Having specificity means that an innovation has distinctive characteristics in the sense of ideas, programs, systems, systems, including the expected outcomes.

2. Having characteristics or elements of novelty, in the sense that an innovation must have characteristics as a work and fruit of thought that has a level of originality and novelty.
3. The innovation program is implemented through a planned program, in the sense that an innovation is carried out through a process that is not in a hurry, but innovations are prepared carefully with a clear program and planned in advance.
4. Innovations that are rolled out have a purpose; the innovation program that is carried out must have the direction to be achieved, including the direction and strategy to achieve that goal.

To improve the quantity and quality of the products the following ways can be conducted (Philipus Vembrey Hariadi, 2012):

1. Intensification. It is an effort to improve the production, both in terms of quantity and quality by improving working methods and improving the productivity of production factors used. For example in agriculture, to improve the production can be done by applying the five farming programs such as choosing superior seeds, proper fertilizer use, pest control, adequate irrigation, and using agricultural machinery and appropriate technology.
2. Extensification. Extensification is an effort to improve the quality and quantity of production by adding factors of production. For example in textile industry, to improve the industrial results, it can be in the forms of increasing the number of workforce, adding the raw materials, or renewing production machines with the more up-to-date machines.
3. Diversification. Diversification is an effort to improve the quality and quantity of production by developing or increasing the diversity of production products. For example in a beverage industry, the company may add some other flavors instead only one flavor only in order to increase the quantity of production to provide customers with choices to enjoy.
4. Rationalization. This effort is conducted to improve the quality and quantity of production by applying a more effective management system with the mastery of science and technology. For example, new machines are used to save human power.

III.RESULTS AND DISCUSSIONS

The first phase is Coordination with SMEs who become Partners, namely Mrs. Kartini as the owner of UKM "Kartini Bordir" regarding matters related to the implementation of training and mentoring activities as well as equipment introducers. The next phase of the survey is immediately carried out to procure equipment that will be introduced to Partner SMEs and which are immediately needed by Partners, then the executor procures equipment and needs for SMEs and immediately conducts Training and mentoring, using funds from the Ministry of Research and Technology's Community Service Program.

The results from the activities are explained below:

TABLE I. ACHIEVEMENT IN THE IMPLEMENTATION OF PATCHWORK OF THE "KARTINI BORDIR" IN KEDURUS, SURABAYA.

<i>No</i>	<i>Plans</i>	<i>Realization</i>
1	Technical plan to procure Appropriate Technology (TTG) for the procurement of Walking Foot machines	Procurement of 1 Walking foot machine and a set of shoes and needles and thread for UKM "Kartini Bordir" to fold the edge of a bag using a wire, its function are like making a bag similar to that of a factory, smooth and flat, and accelerate production. 
2	Technical plan to procure TTG electric fabric cutting machine	Procurement of 1 unit of electronic cutting machine for UKM Kartini Bordir so that the capacity of the cut cloth is more and faster. 

No	Plans	Realization
3	Technical plan to procure TTG measuring and cutting table.	<p>Availability of 1 Unit Cutting Table for UKM Kartini Bordir to simplify the process of cutting the fabric and can be folded, so as not to eat the place if it is not used.</p> 
4	Training, mentoring and preserving Walking Foot machine and business/marketing management training.	<p>Provide training for UKM Kartini Bordir and their Employees so that they are able to run / use and maintain machines and participants can increase their marketing efforts.</p> 
5	Procuring plan of X-Banner as promotion media.	<p>Large-sized X-banners are available for promoting media.</p> 
6	Business Management Training and simple financial bookkeeping, Marketing strategy	<p>SMEs understand and apply simple bookkeeping, business management, and marketing strategies.</p> 
7	Plans to expand market share	<p>The market share increased from only the local area, after the introduction of equipment and assistance, the market share now covers East Java another regions in East Java.</p> 

<i>No</i>	<i>Plans</i>	<i>Realization</i>
8	Plans to improve product innovation	<p>More product variations, production capacity has increased 3 times.</p> 

IV. CONCLUSION

These are the conclusion based on the problems that exist in SMEs and discussion as well as plans for further activities:

1. Community Service Activities (PKM) Helps Small Business Groups, especially creative Economy developers such as Handicrafts from cloth Patchwork from Surabaya tailor's waste, to grow and maintain the Environment and Develop Economic Creativity in Surabaya
2. Handicraft employees from the Kartini Embroidery Patchwork UKM cloth are very enthusiastic in participating in technical training and Marketing and Business management.
3. With the community service activities facilitating the machinery and Equipment of Handicrafts from Patchwork, the product demands for UKM Kartini Bordir are increasing.
4. For Higher Education as a form of Community service that is clearly evident in helping SMEs communities.

Based on these findings, the study recommends the following:

1. PKM must continue to be carried out by the Ministry of Research and Technology DIKTI to facilitate Micro and Small Enterprises (MSEs) that have good business prospects.
2. This activity should support creative economic development activities.

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