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by Aang Darmawan

Submission date: 24-Jul-2023 09:35AM (UTC+0700)

Submission ID: 2135748480

File name: IOP_Blue_ocean_2019-2020.pdf (655.26K)

Word count: 4488

Character count: 24403

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To cite this article: Halimatus Sakdiyah and Linta Wafdan Hidayah 2020 *IOP Conf. Ser.: Earth Environ. Sci.* **469** 012101

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Blue Ocean Strategy in a Creative Industry Environment: A Madura *Batik Tulis* Context

Halimatus Sakdiyah¹, & Linta Wafdan Hidayah²

¹Islamic University of Madura (UIM) Pamekasan, Indonesia
Email: Halimatussakdiyah270@gmail.com^{1*},

²Islamic University of Madura (UIM) Pamekasan, Indonesia
Email: missalinda@gmail.com

Abstract. Blue ocean strategy is a market created when there is no competition in the market, so researchers have objectives research, among others, to find out the strategies used in developing their business and to find out the application of Blue Ocean strategies in developing creative industries at UD. Bintang Abadi Klampar Village, Proppo District of Pamekasan regency. The research method used is descriptive qualitative method through the blue ocean strategy approach. The results of this study stated that UD. Bintang Abadi Klampar Village, Proppo Sub district, Pamekasan Regency can implement the blue ocean strategy seen from the results of the Blue Ocean strategy idea index test through utilities, prices, costs and adoption of all above 50% stating that it has carried out the blue ocean strategy method. UD. Bintang Abadi Klampar Village, Proppo Sub district, Pamekasan District can be seen from its performance analysis, among others: business perspective, financial management perspective, customer perspective or creating potential and actual consumers, the perspective of empowering human resources has a huge role to implement Blue Ocean strategy in developing the industry creative. The draft strategy has fulfilled three characteristics of blue ocean strategy in creating a contested market space, namely focus, divergence, and an enchanting motto. Four steps of the Blue Ocean strategy framework are eliminating, reducing, increasing, and creating (create) the factors of the development of the creative industry already pay attention to the potential and non-potential factors that UD. Bintang Abadi Klampar Village, Proppo District, Pamekasan has.

Keyword: *Blue Ocean Strategy, creative industries.*

1. Introduction

The vision of Indonesia to be a developed country, where the government is optimistic to drive the development of creative economy of Indonesia 2025. The creative economy is believed the government will answer the challenges of short-and medium-term basic problems, because (1) relatively low economic growth post-crisis (average only 4.5% per year), (2) still high unemployment rate (9 - 10%) and poverty rate (16 - 17%), and (3) low Indonesian industrial competitiveness. In addition to these problems, the creative economy is expected to respond to various challenges, such as global warming, renewable energy use, deforestation and carbon emission reduction. It is hoped that the direction of creative industry development will lead to the pattern of environmentally friendly industries and the creation of added value of goods and / or services derived from the intellectual human resources possessed by Indonesians, where the intellectual resources are a renewable resource.



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In this regard, the government created Indonesia's 2025 Creative Economic Development Plan, which can be used as a new operational and policy-making guide for government officials responsible for the development of creative economy. In addition, as a reference for relating institutions and regarding the development of creative economy, so as to create a positive collaboration and synergy in the development of the state of Indonesia in general. Likewise as a reference and referrals for the perpetrators of the Industry, both entrepreneurs, intellectuals and other actors engaged in the field of creative industries or other related fields. There are also benchmarks for achieving or developing a creative economy in Indonesia [1]. The business world, especially in the small industry sector, is experiencing very rapid development. Small and Medium Enterprises (SMEs) through creative industries are a form of business in overcoming industrial competition globally. Small industry players must be able to deal with their competitors in order to survive and be able to dominate the market by developing a strategy by designing a competition strategy as the best way to know and put their level of business whether being a market leader, challenger, follower) or rest (niche). The development strategy is very important in encouraging products from small and medium industries to have better competitiveness to enter the consumer market and business market.

Pamekasan Regency is part of East Java Province which is in the middle of Madura region is required to be able to develop the economy in long term development by optimizing the utilization of local potency through creative industries of small and medium enterprises especially Madura batik handicraft. The development of the world of small and medium industries engaged in the field of batik handicrafts is getting higher. Therefore, small and medium business actors are required to be more creative and innovative in facing their competitors. Competition between small and medium entrepreneurs for batik handicraftsmen in Madura, especially in Pamekasan Regency is getting tighter. The importance of the creative industry sector as a support for development, the government should always do coaching, training, control in the form of evaluation of small and medium business performance. In the face of competition small and medium entrepreneurs should be able to apply the right competitive strategy so that the business can survive in the long run and produce continuously.

Batik craftsmen in Pamekasan Regency as much as 3,542 almost 80% came from District Proppo about 2,835 craftsmen of batik, and from 80 percent of the batik craftsmen in the Klampar Village, Proppo District. Pamekasan regency reached 1157 batik artisans or by 40.8%. From the percentage can be seen that in one village there are many batik craftsmen because the village Klampar Proppo District is the center of batik Pamekasan. Other obstacles, challenges and threats faced by UD. ABADI STARS batik Klampar Proppo District of Pamekasan is caused by many varieties of batik motif, price and type of cloth and coloring of so many Madura batik entrepreneurs in Pamekasan region, so the condition requires the owner of UD Bintang Abadi Batik tulis Madura Desa Klampar Proppo Subdistrict, Pamekasan Regency to survive and exist in winning the competition. UD Bintang Abadi Batik tulis Madura Klampar Village Proppo District Pamekasan Regency needs to innovate and be more creative in producing batik tulis, so as to create new market opportunities. One strategy in facing increasingly fierce competition is through the Blue Ocean Strategy approach. According to Kim and Mauborgne (2005) Blue Ocean Strategy is an innovative idea of creating market space without competitors. Business actors must be able to create this blue ocean space by taking various opportunities that have not been known by its competitors.

Small and medium-sized businesses engaged in the creative industries of batik are currently offering various types of batik from different fabric materials, with different batik motifs with the aim of attracting the attention of consumers and customers in order to buy their products with various kinds of marketing strategies. For example, *sekar jagad* batik which is a characteristic of Madura batik for Pamekasan Regency is combined with softer color motifs (soft), making contemporary Madura batik with various motifs such as wood fiber motifs, broken stones and so on and some using natural dyes from environmentally friendly ingredients from manga leaves, teak leaves, or turmeric. Competition among Madurese batik entrepreneurs generally occurs in prices and product differentiation so it is necessary to create new market share opportunities by using business development methods through the Blue Ocean Strategy.

2. Methodology

This study uses a research approach that is descriptive qualitative research through interviews. According Sugiyono (2016) qualitative research can be interpreted as a research method based on postpositivism philosophy, used to examine the condition of natural objects. by using the blue ocean strategy method with the aim of developing the creative industry of Madura batik business in winning the competition and creating market share without competitors.

The stages of data analysis techniques are as follows:

- Look for factors to be eliminated that have been accepted by the company
- Look for factors that must be reduced by reducing the factors to below the industry standard
Looking for factors that need to be increased to above industry standards and competition in the red ocean
- Create any factors that have not been offered by the industry so that these factors also do not exist in other companies.

Existing marketing techniques need to develop batik's creative industry through blue ocean strategy on the use or utility of a batik product as a consumer, price, cost and adoption. The work steps to be done include:

- The initial level is utility, which is about whether the product offered provides good utility
- Next, is setting the right strategic price
- The third stage is the cost, how to secure the revenue side that is to make the realization of costs in accordance with the targeted costs and in accordance with prices that can be affordable by consumers
- After that the next step is to face the obstacles of adoption
- The final step is to determine the blue ocean strategy idea index in a series of utilities, pricing, cost, and adoption with the blue ocean strategy idea idea providing a simple but reliable and reliable test of each given criteria that will be filled at points ie positive (+) or negative (-).

After developing the blue ocean strategy above, an organization in this case is UD. The Eternal Star of Batik Tulis Business in Klampar Village, Proppo District of Pamekasan Regency, must implement the planned strategy.

3. Finding

UD. Bintang Abadi Klampar Village, ProppoSubdistrict, Pamekasan Regency is a small and medium-sized industry engaged in Madura batik business. Abd.Rahman as a businessman and craftsman of Madura batik began his career from 2009. Initial capital in running his business was around Rp. 2,000,000, - with the production of batik produced by his family, and the marketing is carried out with a system entrusted to other batik entrepreneurs and entrusted to the batik shops in the Pamekasan area. His efforts gradually experienced a significant development in the midst of the competition in the creative industry of Madura batik. MrAbd.Rahman began to build a shop where he was working with the aim that consumers could immediately buy batik into his shop which is located next to his house while providing services for consumers who want to see how to make batik and provide 24-hour non-stop service.

In addition, to introduce his products he often attended exhibitions outside the Madura region such as in Jakarta, Bali, Blitar, Yogyakarta and Surabaya. Turnover obtained at the present time has begun to increase which is around the average obtained per month reaching Rp. 25,000,000, - under normal conditions if the buyer only buys a cut. It is different if many customers, for example from offices or agencies or companies that are around East Java and throughout Indonesia and penetrate abroad to reach 1500 pieces of Madura batik per month at different prices. This will certainly have an impact on increasing income.

4. Discussion

The strategy of the blue ocean made must be tested through four things, among others: consumer utilities which in this case are consumers of UD. Bintang Abadi batik, prices, target costs, and adoption hurdles. The recapitulation of respondents' answers both from the owner of UD. Bintang Abadi as well as from respondents who came from 38 consumers.

The first test is about utility, many consumers use batik which is produced by UD. Bintang Abadi Klampar Village, Proppo Subdistrict of Pamekasan Regency, the production is good and quality unlike other craftsmen, sometimes the size of the fabric is not as described, and the coloring is strong and does not fade. This can be seen from 38 respondents, who answered this reached 71.05 percent, which is about 27 people and the remaining 11 respondents who stated mediocre same as the quality of batik in other craftsmen. From these data it can be analyzed that there is a blue ocean strategy opportunity related to the problem of utilities with the numbers entered into categories that are maximal enough to be applied with various efforts to improve the quality of production which have different characteristics from batik from other craftsmen.

The second test, is the price. From the questionnaire distributed to consumer respondents related to the price and suitability of the quality of batik using UD batik. Bintang Abadi Klampar Village, Proppo Subdistrict of Pamekasan Regency stated that as many as 24 people or 63% of the price offered attracted the attention of consumers at affordable prices. While respondents who stated that the price was in accordance with the quality of the existing batik products, there were 21 respondents or 55.2%. From the results of the test data, it can be concluded that although the optimal level of price and quality is not optimal, it can be stated that there are still opportunities to develop a blue ocean strategy.

Third test, related to target costs. UD. Bintang Abadi Klampar Village, Proppo District of Pamekasan Regency must be able to produce with target cost to get the desired profit. There are various ways to achieve the cost of targets, among others: streamline operating costs, change the way pricing, and cooperate in partnership form. From the price offered UD. Bintang Abadi Klampar Village, Proppo Sub district of Pamekasan District, shows that the price offered is in accordance with the quality of the product, which is not expensive, because the responses of respondents in this case reached 76.3% or as many as 29 people. This shows that UD. Bintang Abadi Klampar Village, Proppo Sub district of Pamekasan Regency, has managed the target cost so that there is an opportunity to use the blue ocean strategy because it has carried out an analysis of the target cost in determining the relevant price.

The fourth test is adoption. UD. Bintang Abadi Klampar Village, Proppo Sub district of Pamekasan Regency, has been able to handle the obstacles of adoption directly as seen from the respondent's answer data as much as 65.7%. From these data can be analyzed that UD. Bintang Abadi Klampar Village Proppo Sub district of Pamekasan Regency can implement blue ocean strategy because it can be seen that blue ocean strategy has been implemented from various existing components.

- The potential of blue ocean strategy has three complementary qualities, namely:
Focus, the company does not spread its business to all the major factors in its competition. UD. Bintang Abadi Klampar Village District Proppo of Pamekasan regency needs to pay attention in its strategy of service facilities for its customers. From the questionnaire results obtained were less focused on service targets because of the 38 respondents around 26 people or 68% thought of service facilities for example if there were buyers who wanted a decent package of batik in the form of a dwarf or bag bearing the UD. Bintang Abadi logos as a souvenir not yet available. Then from an average of 23 people stated that from a small shop if many visitors who want to buy batik still have to wait outside in hot conditions because there is no air conditioning or fan so that consumers do not like to linger so that it can be analyzed that UD. Bintang Abadi has not focused on the core goal of satisfying customers or consumers.

- Divergences, companies must stay away from other competitors, and offer something different and find out what's important and unique to the buyer. The company only relies on Madura batik products with traditional motifs that are considered still general. UD. Bintang Abadi Klampar Village, Proppo Distric of Pamekasan Regency features many contemporary batik motifs without losing the characteristic of Madura batik as well as the characteristic of batik UD. Bintang Abadi Klampar Village Proppo District of Pamekasan is inserted a picture of the star in the writing of batik which other craftsmen do not have the purpose as an identifier that it is the work of the industry, the colors of batik vary so that buyers are free to choose the motif and color they like.
- Interesting motto, this third quality is a motto that is not only able to convey a clear message but will make a form of promotion of product offerings honestly as a form of application in understanding the strategies that have been made. Motto should describe the strategy to be undertaken as well as the goals to be achieved by the business.

4.1. *Application of Blue Ocean Strategy*

The application of blue ocean strategy can be implemented if the specified prerequisites have been met. From the data test results can be concluded that ocean strategy can be applied in UD. Bintang Abadi Klampar Village, Proppo District of Pamekasan Regency. The next step is to implement the steps in implementing blue ocean strategy as follows:

- Eliminating (eliminate), components that are considered ineffective should be eliminated. The factor that must be removed is the ordering procedure in the absence of a down payment as a sign of being eliminated because the component can harm UD. Bintang Abadi Klampar Village, Proppo District of Pamekasan, especially for subscribers via online.
- Creating (create), all this time focusing on the production of batik cloth only so that UD. Bintang Abadi Klampar Village, Proppo District of Pamekasan Regency must be able to create:
 - ✓ Adding intensity or media campaigns and promotional tools for example should be more active again and often mainly through social media
 - ✓ Adding product variants by diversifying the products that is in addition to batik cloth Madura also produce clothes such as women's and men's tops, daster, table cloth, bed sheet made of Madura batik.
 - ✓ Characteristics of UD. Bintang Abadi Klampar Village District Proppo Pamekasan which inserted in every batik products must be maintained and maintained the originality of the idea, so that buyers can distinguish where UD batik. Bintang Abadi Klampar Village, Proppo Sub district of Pamekasan, compared to competing products
 - ✓ Open official outlets or shops that are sufficiently adequate with facilities that are quite convenient and easy to access transport for consumers. For example, located on the edge of a highway or shopping center in Pamekasan
 - ✓ Make complete financial reports according to the standards of small and medium businesses
 - ✓ Improve the organizational structure or management so that the operational standards are clear based on the respective tasks involved in running the business
 - ✓ Make a consumer suggestion box for improvements both in the short and long term.
- Reduce (reduce), components that are considered to interfere with the effectiveness of the blue ocean strategy. must :
 - ✓ Reducing promotions that are not right on target, for example the expo exhibition's participation at a very high cost without clarity from the organizers who are the exhibitors or visitors.

- ✓ Reducing low-quality raw materials because it will affect the quality of batik and the size of batik cloth which sometimes shrinks in size after the finishing process. For example the size of 3 meters of fabric during the process, after finishing will shrink to 2.6 meters.
- ✓ Add or raise, existing facilities that do not meet the standards include:
- ✓ Quality of batik products
- ✓ Variants of batik products ranging from cloth, clothes and Madura batik souvenirs
- ✓ Neatness in batik and coloring must be even stronger by better processing.
- ✓ Add a special place of production that can be seen directly by buyers who come and want to know the process of batik with adequate facilities such as air conditioned rooms, provided seating and drinking water for buyers who visit to be more comfortable.

4.2. *The role of Blue Ocean Strategy in Creative Industry Development*

The role of Blue Ocean strategy in developing creative industry at UD.Bintang Abadi Klampar Village, Proppo Subdistrict of Pamekasan can be divided into Four:

- **Batik Business Perspective on Blue Ocean strategy**
As a UD businessman. Abadi Star can make a decision in exploring new market share as a marketing goal both in the short and long term by looking at opportunities so that it can increase profits and can grow the business towards a more advanced direction. UD.Bintang Abadi in carrying out its business must focus more on introducing Madura batik and the need for improved quality starting from the raw materials of batik to the quality of its increasingly sophisticated production equipment so as to achieve maximum production efficiency.
- **Financial Management Perspective on Blue Ocean strategy**
Financial management is very important in running a business. UD. Bintang Abadi in increasing promotional activities will provide opportunities to increase sales. Whereas by making outlets or shops with easy access, it will be easier for consumers to make purchases and by adding product variants ranging from batik cloth alone to increase with the production of clothes and other souvenirs such as tablecloths, bed linen, veils and so on that have an impact on income at UD Bintang Abadi Klampar Village, Proppo District, Pamekasan Regency.
- **Customer Perspectives or creating potential and actual consumers of Blue Ocean strategy**
Customers are a source of strength for business people so that by adding promotional media and more actively will be able to introduce batik products to a wider market share. This will lead to growing confidence in the quality of UD batik products. Abadi Star. In terms of packaging batik products UD. Bintang Abadi needs to be improved by making batik packaging packages that are more exclusive and good bags can increase and maintain consumer confidence in the product. On the other hand, with the presence of stores or stores that are strategic and accessible to consumers, it will easily make consumers prefer to make purchases at UD. Bintang Abadi.
- **Perspective Empowerment of Human Resources to Blue Ocean strategy**
Human Resources in an organization certainly need good guidance in the form of learning, training, and education in terms of mastering technology and how to understand consumer desires so as to improve the quality of Human Resources at UD. Bintang Abadi Klampar Village, Proppo District, Pamekasan Regency. On the other hand the company should be able to instill an era of openness or transparency to the evaluation of criticism and suggestions from consumers and employees regarding the development of batik products so that later can also be created or established the proximity of communication between entrepreneurs and buyers. Employers or employees of UD. Bintang Abadi must enhance creativity and ideas as a process of enhancing knowledge with solid teamwork and focus on improving and achieving performance targets so as to understand market tastes, or consumer desires by enhancing creativity, as well as providing an appreciation as a form of appreciation for employee performance.

5. Conclusion

UD. Bintang Abadi Klampar Village Proppo District Pamekasan Regency can be seen from the analysis of its performance, among others: business perspective, financial management perspective, customer perspective or creating potential and actual customers, human resource empowerment perspective has a very big role to apply Blue Ocean strategy in developing industry creative. The strategy design has fulfilled three characteristics of blue ocean strategy in creating unpowered market space that is the focus, divergence, and the motto of interest. The four steps of the Blue Ocean strategy framework are eliminating (eliminate), reducing (reducing), adding (raise) , and create (create) the factors of the development of the creative industry already pay attention to the potential and non potential factors that UD has. Bintang Abadi Klampar Village, Proppo District, Pamekasan.

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