

Product Development Strategy For Written Batik SMES In Sumberjo Sutojayan Village, Blitar District

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Abstract

Batik Sum Gati is a labor-intensive business, so the production process is mostly carried out by human labor compared to machine power. This is done because the production process does not require special skills because the batik motifs have been designed by the owner of Batik Sum Gati. The purpose of this research is to find out the product development strategy for UMKM Batik Sum Gati in Sumberjo Village, Sutojayan District, Blitar Regency. The method used is a qualitative method with a descriptive type of research to analyze the development strategy of Batik SMEs (a case study on Batik Sum Gati in Blitar Regency). The type of technique used is a non-statistical data analysis technique which of course is descriptive qualitative. The results of this study are that Sum Gati Batik UMKM in developing their business uses 3 strategies, namely: (1) Cost leadership strategy; (2) differentiation strategy; (3) Focus strategy. Future research is expected to be able to analyze factors other than this research.

Keywords: *development strategy, written batik, SMEs.*

INTRODUCTION

The development of micro, small and medium enterprises (MSMEs) in supporting the Indonesian economy which is based on a people's economy is very important to accelerate Indonesia's economic development (Akbar & Maraini, 2022; Cahyadi, 2015; M. D. Revindo, 2017). The meaning of development in the economic field refers to building a system that has competitiveness and can develop independently. Micro, Small and Medium Enterprises are real sectors that can play an important role in supporting the Indonesian economy. This was very clearly seen when the global recession hit the world. By relying on business flexibility and capital sources, micro, small and medium scale businesses are relatively more able to survive compared to large scale businesses, most of which are built on fragile financial foundations (Akbar et al., 2021; Calabrò et al., 2021).

MSMEs were able to survive and provide economic recovery amidst the downturn caused by the monetary crisis in various economic sectors (Sentosa, 2018). Apart from that, MSMEs are also a good place to create productive jobs (Kurniawati, 2015). MSMEs are productive economic businesses that are able to stand alone and are carried

out by individuals or business entities that are not subsidiaries that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses that meet the regulated small business criteria. in Law no. 20 of 2008 (in Budiarto, 2016).

MSMEs in Indonesia, as one of the foundations of a strong economy, still have several problems in their development. Problems that are classified as classic in the development of MSMEs themselves are such as capital, entrepreneur insights regarding business management, marketing strategies, and intellectual rights (Ryu et al., 2021). The problems faced by MSMEs require cooperation from all parties (stakeholders) to synergize with each other in providing guidance and providing useful facilities to improve management in facing competition. Programs like this must be voiced more aggressively to increase the capabilities of MSMEs so that MSMEs can be stronger in supporting the nation's economy (Akbar & Adi, 2022). Two problems that must be resolved immediately in developing MSMEs are financing and increasing human resources. Another thing that must also be considered is creating demand for the products produced. The future challenge for MSMEs is competition in the business world which is increasingly tight and complex (Arifin, 2020).

Batik is a native Indonesian handicraft which is a richness of Indonesian culture. Batik is made by people who have expertise in their field. Batik itself has various patterns and colors according to the creativity of the maker. The Sum Gati batik craft business located in Sumberjo Village, Sutojayan District, Blitar Regency makes batik using simple methods, namely written batik, printed batik and splashed batik. The number of workers in this industrial sector is still classified as small, because it still uses human labor in the manufacturing process. There is support from the Blitar Regency Government which provides support in the form of training, but this support does not focus optimally on modern batik making.

Batik Sum Gati is a labor-intensive business, so the production process is carried out more by human power than by machine power. This is done because the production process does not require special expertise because the batik motifs have been designed by the owner of Batik Sum Gati. With this, Batik Sum Gati participates in reducing the unemployment rate in Blitar, especially in Sumberjo Village, Sutojayan District. In this economic activity can improve people's welfare to increase income. With increased income, the welfare of batik craftsmen is expected to increase.

Product quality is one of the keys to competition between business actors offered to consumers. Consumers always want to get quality products according to the price paid, even though some people think that expensive products are quality products. If this can be implemented by the company, the company will be able to continue to satisfy consumers and can increase the number of consumers.

Product quality is an important thing that every company must strive for if the products produced are to be competitive in the market (Kotler et al., 2021). The existence of a reciprocal relationship between the company and consumers will provide an opportunity to know and understand what the needs and expectations are

in consumer perceptions. Thus, product provider companies can provide good performance to achieve consumer satisfaction by maximizing pleasant experiences and minimizing unpleasant experiences for consumers in consuming products.

Meanwhile, product standards are guidelines that can be used in the production process. Product standards provide guidelines as a basis for decision making from design, manufacture and assembly to the finished product. Product standardization is the determination of basic limits in the form of specifications for the goods produced (Kolagar et al., 2022).

Quality standardization is very important for businesses to be able to compete and maintain business continuity. In addition, consumers will be willing to buy if the product offers the best in terms of quality, performance and innovative features. The better the quality of the product produced, the greater the opportunity for consumers to make purchasing decisions. A quality product is a product that meets consumers' desires and needs for a product. Product quality is an important thing that every company must strive for if the product they produce is to compete in the market. If in a marketing situation where competition is getting tougher, the role of product quality will be even greater in company development (Genc et al. 2019)

The large number of Batik industries in East Java is a threat to Sum Gati Batik to be able to develop its business and the less innovative batik motifs make Batik less attractive to the public, especially young people. Therefore, there is a need for motif innovation so that consumers remain interested in wearing Batik. The lack of internet use is also a trigger for the underdevelopment of MSMEs because in the modern era, most sales are internet-based. By using market strategies, product development and the use of online media, Batik Sum Gati is able to face market competition and the existence of new products will make these products attractive to consumers for the products sold by Batik Sum Gati. The existence of a Development Strategy will have a big impact on the development of MSMEs.

RESEARCH METHODS

This research uses a qualitative approach with descriptive research type to analyze Batik MSME development strategies (case study of Batik Sum Gati in Blitar Regency). The type of technique used is a non-statistical data analysis technique which of course is descriptive qualitative. The data analysis technique used is an interactive model data analysis technique. Data collection techniques were carried out by means of observation, interviews, documentation and triangulation. The research procedure is divided into 7 stages, namely building a conceptual framework, formulating the problem, selecting research subjects, developing instruments, collecting data, analyzing data, matrices and testing conclusions. Sources of data used in this study are primary data and secondary data. The researcher is the main instrument because in this case the researcher acts as a respondent in the research process. Informants in this study amounted to 5 people consisting of MSME owners, employees, communities, and consumers.

RESULTS AND DISCUSSION

This study uses triangulation analysis to validate the research data that has been obtained. There are three data collection techniques, namely observation, interviews, documentation. The triangulation technique used to ensure the legitimacy and validity of the data uses source triangulation to check the data, then compares the results of one informant's interview with another so that the data obtained can be said to be valid.

Based on the results of observations carried out over 3 days on 8 July – 10 July 2023, the informants interviewed were MSME Owners, MSME Employees, MSME Consumers, Communities in Sumberjo Village, Sutojayan District, Blitar Regency. From several informants interviewed, it was found that the MSME Development Strategy had a great influence on the development of Batik Sum Gati MSMEs.

Based on the results of interviews with several informants, it was stated that the strategy implemented by Batik Sum Gati MSMEs had been effective in developing their business. Based on the documentation results, it is known that the development strategy used by Batik Sum Gati MSMEs is going well in terms of increasing production volume and income. Then, based on observations made in the field, the MSME development strategy carried out by Batik Sum Gati has been running well.

Batik Sum Gati MSME Development Strategy

According to Wilantara and Susilawati (2016), strategic management provides guidance on how a strategy is formulated by describing the company's vision, mission, goals, internal audit and external audit into an action plan. This action plan is based on past strategies that have proven successful and by looking at trends and opportunities that may arise in the future. Meanwhile, Porter (1985), companies that have a competitive advantage will have the ability to understand market changes and be able to choose marketing strategies effectively. Strategies that enable companies to have a competitive advantage in terms of 3, namely: (1) Cost leadership strategy; A strategy that emphasizes efforts to produce products with very low unit costs. This strategy aims to offer a product at the lowest possible price compared to similar products; (2) Differentiation Strategy; This strategy is used by companies to be unique in a target market. The uniqueness of a product is intended to attract consumer interest in a good/service; (3) Focus Strategy; This strategy is used to create competitive advantage in a relatively narrow market segment. This strategy is aimed at serving the needs of a small number of consumers and when making purchasing decisions is not influenced by price.

Batik Sum Gati UMKM developed by using several strategies that gave Batik Sum Gati a competitive advantage compared to other Batik UMKM, including: first, the cost leadership strategy, Batik Sum Gati produces goods at affordable prices with very high product quality. This is done by Batik Sum Gati in order to attract consumers to buy products at Batik Sum Gati and make Batik Sum Gati able to compete with other Batik MSMEs because it sells Batik at affordable prices compared to Batik products sold by other batik MSMEs.

Second, this strategy is used because Batik Sum Gati has an advantage that lies in its characteristic batik design which is not owned by other Batik MSMEs, for example the tiger and godong kates designs, these designs are made directly by the owner of Batik Sum Gati which is used as a superior product in MSMEs Batik Sum Gati so that it can attract consumer interest both in the city and outside the city. Third, namely the focus strategy, in developing its business Batik Sum Gati UMKM creates an advantage that is only possessed by Batik Sum Gati UMKM itself, for example, the tiger motif and godong kates motif are superior motifs owned by Sum Gati Batik UMKM.

Factors influencing the development of Sum Gati Batik MSMEs

According to Siswanto (2016) there are several factors that influence the development of MSMEs, namely: (1) Capital, with sufficient capital, entrepreneurs can start a business and produce goods; (2) Labor is a factor that influences the development of MSMEs, uncertain labor will affect business development, this occurs because many workers come in and out or are not permanent; (3) Marketing, promotion can be used as a form of product marketing so that it can compete with other businesses.

Several factors influence the development of Sum Gati Batik MSMEs, namely: (1) Capital, with capital obtained from personal capital and loans, Sum Gati Batik MSMEs can develop their business so that they can be more competitive with other Batik MSMEs. The higher the capital used, the production of goods will increase; (2) Labor plays an important role in the production process because Sum Gati Batik MSMEs are labor intensive where the production process uses more human labor than machines. labor, with the large number of workers available, batik production will increase and will increasingly influence the development of Sum Gati Batik MSMEs; (3) Marketing, in developing its business, UMKM Batik Sum Gati utilizes technology for promotional purposes. With the development of technology, more and more people will be able to see the promotions carried out by UMKM Batik Sum Gati. This promotion is carried out via Facebook and WhatsApp Batik Sum Gati.

Sum Gati Batik MSME Marketing Strategy

According to Machfoedz (2007) marketing strategy is a plan that allows a company to make the best use of its resources to achieve a goal. Marketing planning is a process of determining a clear overall approach to consumer desires. In marketing planning it is necessary to pay attention to several things, namely: (1) Marketing research, research carried out to identify consumers, the products consumers want, and how consumers purchase them; (2) Sales research, research conducted for promotion and distribution purposes based on marketing research findings; (3) Marketing information systems are used as a means to collect, complete, analyze, store and disseminate information related to the company; (4) Sales forecasting can be used as a way to coordinate personal decisions with accurate market information; (5) Marketing plans are used as a way to formulate plans to achieve long-term marketing and sales

goals; (6) Evaluation is a method used to identify and evaluate forms of deviation from the marketing plan.

Batik Sum Gati MSMEs implement the following strategy: (1) Marketing research where before carrying out new innovations, Batik Sum Gati has conducted research on motifs that are currently in demand by consumers where these motifs create new innovations for Batik Sum Gati MSMEs so that they can compete with Other Batik SMEs; (2) Sales research is carried out by UMKM Batik Sum Gati for the purposes of product promotion and product distribution. In promotions, Batik Sum Gati utilizes social media such as Facebook and WhatsApp, while Batik Sum Gati distribution offers its products directly at exhibitions and delivery using expedition services; (3) The marketing information system is used by Batik Sum Gati to disseminate promotional information that is being carried out by Batik Sum Gati through Batik Sum Gati's official social media; (4) The marketing plan used to plan the long-term achievement of product sales. In implementing the marketing plan, Batik Sum Gati is racing against the situation during the pandemic. In carrying out marketing, Batik Sum Gati uses expedition services to reduce the level of virus transmission.

The objectives of the Batik Sum Gati MSME development strategy

The aim of the Sum Gati Batik UMKM Development Strategy is to develop Batik Culture, especially in Blitar Regency due to the lack of public interest in preserving Batik Culture, with the growing development of Batik Sum Gati UMKM it is hoped that it will become a special attraction for the community to develop batik culture, especially in the Blitar area become a special attraction for out-of-town tourists, in addition to developing Batik Culture, another goal of developing Sum Gati Batik SMEs is to increase the amount of production which will have an impact on increasing the amount of income and improving the economy.

The impact of the MSME development strategy

According to Khamarullah et al (2014) the impact that occurs as a result of implementing the MSME development strategy is a positive impact, one of which is an increase in the economy. One indicator is an increase in income. The implications of the MSME development strategy for Batik Sum Gati UMKM have an impact on increasing the amount of goods produced and increasing the amount of goods marketing due to the high interest of consumers to buy products at Batik Sum Gati which results in an increase in the amount of income. In this way, it is hoped that it can improve the economy of Sum Gati Batik MSMEs and facilitate business development.

Obstacles faced by Sum Gati Batik MSMEs in developing their business

Ningsih et al (2020) also stated that MSME constraints are grouped into two, namely external constraints and internal constraints. Internal constraints are Human Resources, products, technology, information, networks and marketing. Meanwhile, external obstacles are language, culture, competitiveness, fraud, changing times, financial risks, economic conditions. The obstacles faced by Batik Sum Gati MSMEs in

developing their business are divided into two, namely internal and external obstacles. First, internal constraints, namely product quality which is still lacking, make it difficult for Batik Sum Gati MSMEs to enter the global market. Technology that has not been designed, such as a marketing and sales system that is not yet technology-based is also one of the obstacles in the development of MSMEs in Batik Sum Gati.

Second, external constraints such as competitiveness, the large number of Batik MSMEs in Blitar greatly affect competition, this has an impact on decreasing sales in the long run. Apart from that, economic conditions are also an external obstacle that hinders the development of Sum Gati Batik MSMEs. The weakening of the economic sector as a whole has affected the level of sales of Batik Sum Gati SMEs, in recent times the sales of Batik Sum Gati have decreased relatively more than before.

CONCLUSION

UMKM Batik Sum Gati in developing its business uses 3 strategies, namely: (1) Cost leadership strategy; UMKM Batik Sum Gati emphasizes production costs which have an impact on relatively low selling prices, this is done to attract consumers to buy these products. (2) differentiation strategy; UMKM Batik Sum Gati has characteristic motifs, for example the tiger and godong kates motifs, where these motifs are used to attract consumer interest. (3) Focus strategy; Batik Sum Gati UMKM creates a competitive advantage through its motifs to attract consumer interest. Future research is expected to analyze factors other than this research.

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