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Universitas Ciputra

Entrepreneurs
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Opportunity and Challenge on Creative Industries in The Era of Global Free Trade
THE INFLUENCE OF YOUNG ENTREPRENEURS IN UTILIZING THE POTENTIAL OF INDONESIAN CULTURE AND CRAFTSMANSHIP

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Abstract — This paper discovers phenomenon of young entrepreneurs in small and medium enterprise sector who are able to package traditional culture and craftsmanship into contemporary fashion. Nowadays, there is an emerging phenomenon of young entrepreneurs who see the potency of craftsmanship in Indonesian traditional culture as an opportunity to contribute towards development of Indonesia economy and creative industry by presenting their fashion brands with valuable contemporary design, branding, visual, and technological assistance in marketing the products. This paper is descriptive qualitative, based on observation and purposive sampling which were selected based on several criteria. This paper shows how young entrepreneurs make Indonesian traditional culture and craftsmanship possible to be treated modernly and be accepted by young generation.

Keywords— Craftsmanship, Creative Industry, Fashion, Young Entrepreneurs

1. INTRODUCTION

Indonesian consumer report issued in 2014 by McKinsey & Company stated that Indonesia is expected to achieve nearly 40% of the Asean growth by 2050 with a large amount of young population as a driving factor. Currently, Indonesia is one of the 16 largest economies and has about 5 million people entering the urban consuming class each year. (Razdan, R. Das, M. and Sohoni, A., 2014: 4-8)

The trends of Indonesian consumption are seemingly not equal with the supply of domestic production. As expressed by the former minister of Economy of Indonesia, Chatib Basri, due to the increase of their economic capacity, so they consume imported goods. (Wright, C, 2014)

Creative industries are one of the Indonesian government's strategies in an effort to resolve some of the socio-economic problems, such as low competitiveness of industry in Indonesia. (Ministry of Trade, 2008: i)

The term ‘creative industries’ itself was popularized by British Government as in 1998 they gave awards to 14 sectors: advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, leisure software, toys, TV and radio, and video games. (Howkins, 2001: 7)

Fashion and crafts are the two largest sub-sectors contributor to GDP in the creative industry in Indonesia. Contribution of the fashion industry almost reached 46 trillion rupiah in 2006, with an average percentage contribution of creative industries to GDP over 44%. The industry is also the most labor-intensive, which has reached 2.6 million workers. However, craft subsector is currently experiencing a decrease demand and Indonesian government is in efforts to redevelop it through improving the quality of product, creativity in product design, the creation of better process technology and materials, the rules and incentives that attract and promotional support to the market inside and outside country. (Ministry of Trade, 2008: 16-17)

Author sees a phenomenon which some young entrepreneurs are able to cultivate Indonesian traditional fabric or craft into contemporary fashion products with good quality and attractive packaging. The author is seeing it as
potency and great asset which is needed to be supported and developed.

2. LITERATURE AND THEORY

2.1 Craftsmanship in Indonesian Traditional Culture

In general, crafts are handmade objects, not only for function but also with aesthetic qualities. Term ‘craft’ is used in two separates art market. First, is high-end market, part of art market which is exhibited in art galleries, or high-end fashion brand such as Louis Vuitton, Hermes, or John Lobb. Second, is larger fashion, tourism, and leisure markets. Many popular tourist destination have large craft industries, and Indonesia is one largest markets besides Thailand, India, Brazil, Japan, and Russia. (Howkins, 2001: 162-164)

Craftsman (from *ars*, means skill) is a skilled manual worker who makes items that may be functional or strictly decorative, including furniture, sculpture, clothing, jewellery, household items and tools or even machines (example: the handmade devices of a watchmaker). They practice craft and may through experience and aptitude to reach the expressive levels of an artist. Craftsmanship is the quality of being craftsman.

Indonesia is the outcome of a long history of crafts, famous for its handicrafts and cultural richness. Craftsmanship continues to be passed from one generation to the next. Until now, several areas in Indonesia become the center of industry and produce handmade stuffs such as leather, woven, batik, etc. Mostly, Indonesian crafts are flourished in tourism and leisure markets. (Purser, 2005: 10-15)

2.2 Young Entrepreneurs and Business Model Generation

There is an emerging phenomena in Indonesia to foster entrepreneurial spirit of the college student for reducing the level of unemployment. One of the reasons it is because the number of young entrepreneurs, which is only 1,56% (3,5 million) of total population, still needs to be increased. (Kaijun, Y. and Sholihah, P, 2015: 1-2)

Business Model is one of the methodologies known in the world of entrepreneurs, particularly in making start-up. There are 9 basic building blocks in a business model that can show us the company ways of thinking:

a. Customer Segments; a group of people who want to be reached by the company.
b. Value Propositions; value of products or services offered by the company.
c. Channels; how company reach their customers.
d. Customer Relationships; relationship of company with their customers.
e. Revenue Streams; something that is produced by the company.
f. Key Resources; resources needed in the activities of the company.
g. Key Activities; key activity performed in company activity.
h. Key Partnerships; partners who help company.

3. DATA AND METHOD

Author is using purposive sampling, which is choosing several brands that have this criteria: Indonesian brand, managed by young entrepreneurs, and the products have craftsmanship element.

There are also universities that make entrepreneurship as their main major, such as Ciputra, Podomoro University, as well as the established universities that make the course or program of study supporting entrepreneurship, such as Prasetya Mulya, ITB, UI, UGM, etc. These universities have created some young entrepreneurs who are currently starting business ventures.

The representatives had been depth-interviewed about their brand and basically about Indonesian craftsmanship they know. Author also did a digital observation to the activities of several brands that are considered as representatives through social media.

Literature about craftsmanship and entrepreneurship are available at books,
journals, articles, and so on.

Using content analysis method with Business Model Generation, this study intends to see how the young entrepreneurs process their product which provide craftsmanship in traditional culture into contemporary fashion and prove it potential.

4. RESULT AND DISCUSSION

4.1 Craftsmanship in Indonesian Brands that Owned by Young Entrepreneurs

There are several brands that are owned by young entrepreneurs, trying to cultivate traditional techniques and craftsmanship into contemporary fashion.

**Figure 1. Bluesville Batik Kerang Shirt**

Bluesville, Jakarta-based Indonesian brand is one of brands which is using traditional techniques on their product-making process. They are using batik technique which is handwritten using molten beeswax from Kalimantan. Bluesville presents their product contemporarily. They have been reviewed by international youth lifestyle magazine.

**Figure 2. Bluesville Pop Up Store at Jakarta**

There is also Pvblic Affair owned by Sulung Koesuma which is based in Jakarta, Indonesia. Pvblic Affair is now sold in several stores in Department Store in Indonesia. One of the stores is Linea, a retail shoe store that sells a curated European craftsmanship shoes.

**Figure 3. AFFAIRS Luggage Bag Using Pedan Handwoven Fabric**

Currently Sulung entrusts its shoe production to a production partner, where for cutting and sewing the workers are relatively young, aged around 22-27, and for lasting process older crafters are around or more than 30. The shoes are produced with the attention and quality similar to artisan made. Pvblic Affair shoes are mostly done by hand, and using goodyear welted method which is the oldest and most durable shoe-construction.
4.2 Business Model of the Brands

After some observation, the author found out that the brands have similar business models. Here are the building blocks of their business model:

Table 1. Business Model of the Brands

<table>
<thead>
<tr>
<th>Affairs</th>
<th>Bluesville</th>
<th>Public Affair</th>
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<tbody>
<tr>
<td>CP</td>
<td>Segmented (young pro, mid-up, early adopter)</td>
<td>Segmented (young pro, mid-up, early adopter)</td>
</tr>
<tr>
<td></td>
<td>Handmade stuff, hand woven, in affordable price</td>
<td>Handmade stuff in affordable price. Contemporary design.</td>
</tr>
<tr>
<td></td>
<td>Contemporary design.</td>
<td></td>
</tr>
<tr>
<td>VP</td>
<td>Social media, flagship store</td>
<td>Web, flagship store, dealer</td>
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<tr>
<td></td>
<td>Customer service</td>
<td>Web, dept store</td>
</tr>
<tr>
<td>CH</td>
<td>Sales, Services</td>
<td>Sales</td>
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<tr>
<td>KR</td>
<td>Human</td>
<td>Human</td>
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<tr>
<td>KA</td>
<td>Product-making</td>
<td>Product-making</td>
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<tr>
<td>KP</td>
<td>Fabric craftsmen, tanery</td>
<td>Dye-ing workshop, fabric craftsmen, tanery, manufacturer</td>
</tr>
<tr>
<td>CS</td>
<td>Value-driven</td>
<td>Value-driven</td>
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5. CONCLUSION

Indonesian crafts are great assets and are possible to be expanded to contemporary fashion, through series of process that require knowledge and creativity such as what have been done by the young entrepreneurs. This phenomenon is potential to be flourished through an effort to develop creative and knowledgeable people by fostering entrepreneurial spirit to young people. Last but not least, this paper is expected to become an input for policy maker or any stake holders to support any development related to this industry.

6. REFERENCES


Purser, Warwick. (2005), Made In Indonesia: A Tribute to the Country’s Craftspeople. Jakarta: Equinox Publishing
