

# Factor Influencing Creative Industries Development in Kenjeran Surabaya

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**Abstract.** Indonesia needs to improve the competitiveness of local products to optimize its contribution to the ASEAN Economic Community (AEC) for the welfare of the population. This can be done by improving the development of creative industries. Kenjeran Sub District is one of the coastal villages in the city of Surabaya, which has a large number of poor people. The potential of the creative industries is still not visible in efforts to increase public welfare. Therefore, it is necessary to investigate the factors that influence the development of creative industries in Kenjeran. This study using in-depth interview were analysed using content analysis and Cartesian diagram to determine the important factors that affect the development of creative industries in Sub district of Kenjeran. By using five respondents from the government shows that the factors that have a high level of importance and advantages are low among other regulatory factors of raw materials, import and export, extortion, and administrative procedures.

## 1. Introduction

Indonesia needs to improve the competitiveness of local products to optimize its contribution to the ASEAN Economic Community (AEC) by developing creative industries. The economic contribution of the creative industry is very significant for the economy.

The economic contribution of the creative industry is very significant for the economy. In 2013, the creative economy accounted for 7.05 percent of Indonesia's GDP, or approximately 641,815.4 billion rupiah of the total GDP reached 9,109,129.4 billion. Creative industries are also able to absorb the labour force amounted to 11,872,428 votes or 10.72% of the total employment of 110 801 648 votes [3]. The economic potential of the creative was developed with micro-based small and medium enterprises (SMEs). SMEs are able to absorb labour force large enough and provide opportunities in an effort to grow and compete with companies that are more likely to use large capital (capital intensive) [2]. SMEs proved to survive and become a cog economy, especially after the economic crisis [2].

Surabaya City is the largest city in the province of East Java, which has great potential in the development of creative industries. Therefore, it is necessary to study the factors that influence the development of creative industries in Kenjeran Sub District. Research conducted by the creative industries was expect to be able to compete and be able to capture all the opportunities of the ASEAN Economic Community (AEC).

### 1.1. Creative Industries

The creative industry is an industry that is derive from the utilization of creativity, skill and talent of individuals to create wealth and jobs through the creation and utilization of data creation and the individual copyright. According to the government definition of Creative Industries is an industry that



relies on human creativity, by utilizing the talents and skills possessed so as to improve the standard of living through the creation (or ideas) and exploitation of IPR (intellectual property rights) [4].

Creative industry in Indonesia was divided into several aspects including Advertising, Architecture, Goods Art, Craft, Design, Fashion, Video films and photography, interactive games, Music, Art Shows, Publishing and Printing, Computer Services and software (software), television and radio, Research and Development and Culinary [1].

### 1.2. Creative Industries in Kenjeran Sub District

The creative industry is an industry that should be develop, especially in the city of Surabaya. There are wide varieties of creative industries in the city of Surabaya. However, in Kenjeran sub district there are only a culinary creative industries and crafts as shown in the following table.

**Table 1.** Creative Micro Business Industries in Kenjeran Sub District 2016

No	Name of Businesses	Type of Business	Sales Result	Start in Business
1	Hj.Coriyah	Craft Shells	Rp. 50.000.000,-	1985
2	Fakturohman	Craft Shells	Rp. 5.000.000,-	2000
3	Supiyah	Craft Shells	Rp. 5.000.000,-	1993
4	Hasan Su'ud	Craft Shells	Rp. 5.000.000,-	1993
5	Kardi	Craft Shells	Rp. 10.000.000,-	1990
6	Chozin	Crackers Seafood	Rp. 10.000.000,-	2001

Based on the table shows that there are five small micro craft shells and a small micro crackers seafood in Kenjeran with a turnover between 5 million to 50 million. There is a creative micro small business, which started in 1985. It shows that the creative industries are located in this district can survive for a long time.

## 2. Methods

The first phase to obtain data about the factors that influence the development of creative industries in Sub District of Kenjeran with conducting in-depth interview with five stakeholders from the government. After that, results of in-depth interview will be further analysed using content analysis. The qualitative content analysis [5] is consists in a bundle of techniques for systematic text analysis. The main idea of the procedure of analysis is thereby, to preserve the advantages of quantitative content analysis as developed within the science communication and to transfer and further develop them to qualitative-interpretive steps of analysis [6]. Characteristics as a method of research that attempts to capture the symbolic meaning of the messages [7]. The symbolic meaning of the messages expressed from data found in books, manuscripts, or documents studied. Furthermore, the results of the content analysis was processed and illustrated in in Cartesian diagram to get cluster influential factor in the development of creative industries in the Kenjeran Sub District.

**Table 2.** Respondents of Indepth Interview

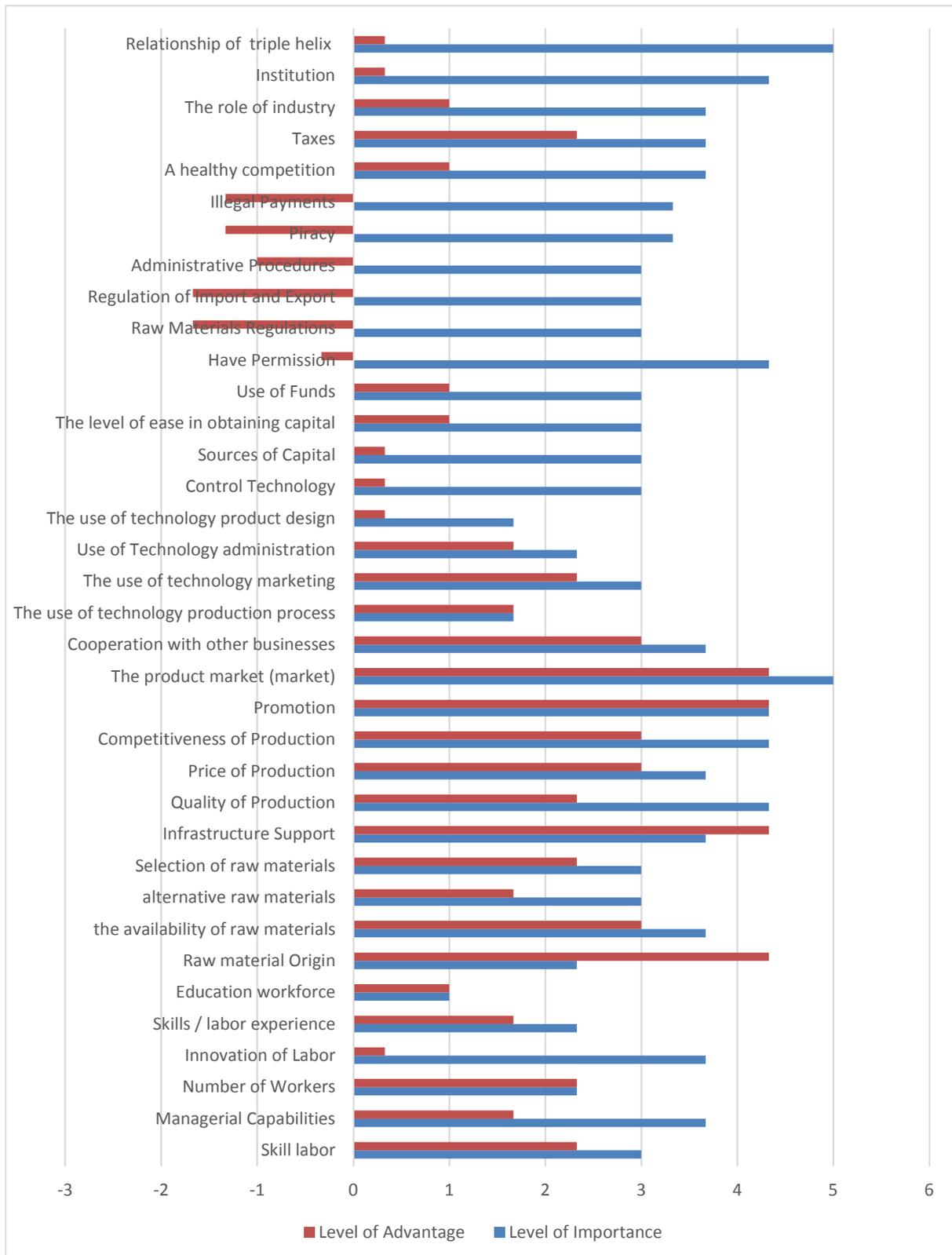
Respondent Code	Name	Institution
A	Benny Iriawan	Surabaya City Development Planning Board
B	Fatmawati	Department of Cooperatives Surabaya
C	Devy	Department of Community Empowerment and Family Planning
D	Raditya	Department of Community Empowerment and Family Planning
E	Fidelia	Department of Industry and Trade of Surabaya

### 3. Result and Discussions

The results of in-depth interviews with five respondents on the importance and advantages of the factors that influence the development of creative industries in Sub Kenjeran will be described in the following table.

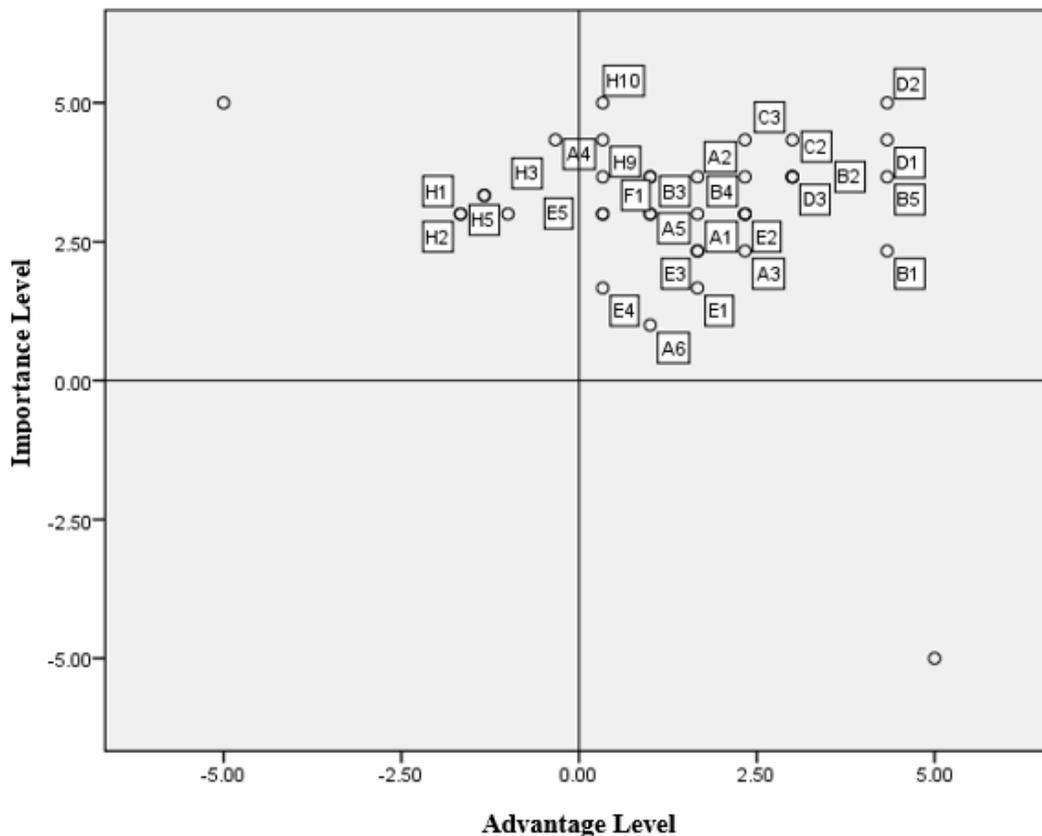
**Table 3.** Factors that influence the development of creative industries

Code	Factor	Code	Factor
A	Human Resources: 1) Skill labor 2) Managerial Capabilities 3) Number of Workers 4) Innovation of Labor 5) Skills / labor experience 6) Education workforce	E	Technology 1) The use of technology production process 2) The use of technology marketing 3) Use of Technology administration 4) The use of technology product design 5) Control Technology
	B	Raw material 1) Raw material Origin 2) the availability of raw materials 3) alternative raw materials 4) Selection of raw materials 5) Infrastructure Support	F
G			Legality 1) Have Permission
C	Product 1) Quality of Production 2) Price of Production 3) Competitiveness of Production	H	Business Climate and Competition 1) Raw Materials Regulations 2) Regulation of Import and Export 3) Administrative Procedures 4) Piracy 5) Illegal Payments 6) A healthy competition 7) Taxes 8) The role of industry associations and professional associations 9) Institutional which encourage the growth of creative industries 10) Relationship triple helix (government, academia and business people)
D	Marketing 1) Promotion 2) The product market (market) 3) Cooperation with other businesses		



**Figure 1.** Summary of Interview Regarding the Importance and Advantage Factor develop Creative Industries

Based on the figure 1. shows that the important factors for develop the creative industries in Kenjeran Sub-District are (1) the innovation workforce (2) infrastructure (3) quality of production (4) the price of production (5) Competitiveness of production (6) promotion (7) product market (8) cooperation with other businesses (9) protection against piracy (10) Extortion (11) fair competition (12) Tax (13) Role of industry (14) Institutional (15) Relationships of triple helix.



**Figure 2.** Results Summary of interviews using Cartesian diagram Regarding the Importance and Advantage Factor to develop the Creative Industries

Based on the graph shows that the critical factors required for the development of creative industries in the city of Surabaya are factors that have a high level of importance and advantages are low among other regulatory factors of raw materials, import and export, extortion, and administrative procedures. This occurs because the license management is still consider very difficult for the executors of creative industries. In addition, the regulations regarding the export and import of raw materials still not applied for protection products in the city of Surabaya. Therefore, this needs to be restyled.

#### 4. Conclusion

Factors that have a high level of importance and advantages are low among other regulatory factors of raw materials, import and export, extortion, and administrative procedures. Policies to develop creative industries in the city of Surabaya is a creative human resource development, improvement of production quality advantages, the use of local raw materials, improvement of infrastructure and the development of triple helix cooperation.

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