

Mapping and arrangement of development strategy for creative industry of UMKM Kampong Dolly in Surabaya, Case study: fashion small industry

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Abstract. Kampong Dolly is one of the settlement area in Surabaya which in older times was known as the largest prostitution area in Southeast Asia. Currently, the Mayor try to transform it to become tourism settlements. In that case, Surabaya's Government is having need to increase the competitiveness of their local product so that they would be able to compete in global market to raise up their level of prosperity. One way to increase the competitiveness of their local product is by advancing the development of creative industry. To formulate the development strategy, we need to know both of potentials and problems. The researcher using content analysis method and the mind map analysis to identify its potentials and problems and the relation of each other. From mind map analysis, we know that the main potential of MSMEs in Kampong Dolly is a product that has unique characteristics, the easiness of getting raw material stock, and branding as Dolly ex-prostitution area's product. While the main problems faced by MSMEs is the narrow area of market destination, small amount of product for each production, still using the old and traditional method of production, and low quality and quantity of the workers.

Keywords: *Creative Economy, Local Product, Fashion Small Industry, Mind Mapping, Kampong Dolly*

1. Introduction

In nowadays, Indonesia is having need to increase the competitiveness level of their local product so that they would be able to compete in global market to raise up their level of prosperity. One way to increase the competitiveness of their local product is by advancing the development of creative industry. The growth level of economy will grow rapidly using creativity and innovation [1].

The contribution of creative economy is very significant for the economy. In 2013 the creative economy contributes 7.05 percent of Indonesia's GDP or about 641,815.4 billion rupiahs of total GDP of 9,109,129.4 billion rupiah. Creative economy is also able to absorb the labor force of 11,872,428 people or 10.72% of total employment of 110,801,648 people [2]. The potential of creative economy is developed by MSMEs (Micro, Small, and Medium Entrepreneurships). MSMEs can absorb a large enough labor force to provide an opportunity for a business to grow and compete with big companies which use a bigger financial capital [3]. MSMEs proved able to survive and become the main wheel of economy, especially in Indonesia's post economic crisis at 1998 [3].



kampong Dolly is one of kampong in Surabaya which in older times was known as the biggest prostitution area in Southeast Asia. kampong Dolly is located in Putat Jaya, Sawahan, Surabaya. The current Mayor of Surabaya Tri Rismaharini has transformed negative branding of Kampong Dolly into a tourism kampong with a variety of options ranging from mural art kampong, playground kampong, art kampong, green kampong, hand-gift kampong and culinary kampong. Currently the guesthouse in kampong Dolly have changed the function into various allocations, one of which is Barbara Guesthouse which is one of the most famous guesthouse in Dolly currently turns function into a center of MSMEs that produce shoes. In addition, beside this Barbara building there is also a Broadband Learning Center (BLC) which is a means of computer training for local residents.

All the potential of kampong Dolly must be well planned by creating the right development strategy and one of them is by planning the development of creative industry to support the tourism kampong, improve the welfare of society and improve the competitiveness level of creative industries in Surabaya to the national and international level. Thus, this research will discuss about potentials and problems in developing creative industries in kampong Dolly as the substance to formulate the development strategy for Kampong Dolly's MSMEs especially the fashion industry.

2. Research methodology

This research is a qualitative research which means from the determination of sampling, data recording until the process of analysis of this research using qualitative approach. Qualitative research is a study whose findings are not obtained through statistical procedures or other forms of calculation [4]. The data in this study were collected using one of the non-probabilistic sampling method known as snowballing sampling. In the use of this sampling technique, with whom the informant was contacted or first met with the researcher it is important to use their social network to refer the researcher to others who have the potential to participate or contribute and learn or inform the researcher [5] The data are analyzed by using content analysis method and the mind map analysis to identify its potentials and problems and the relation of each other.

3. Research findings

This study has the scope of research in affected villages from closing ex-prostitution area in kampong Dolly, kampong Dolly located in RW 03 Putat Jaya, Sawahan, Surabaya. In those scope, there are many MSMEs that have been started from scratch since the closing of prostitution area. MSMEs in question are MSMEs that are both active in production activities and having local residents as its members or workers. After some identification the researcher found that there are seven MSMEs that fit both criteria. The researcher then focusing the research on MSMEs in fashion industry which are Batik Jarak Arum, Sepatu Mampu Jaya, and Sablon Art Generation. Those MSMEs are then analyzed using the following variable.

- Raw Material: Raw Material Source, Raw Material Availability, Raw Material Needed [6].
- Marketing: Marketing Area [7,8], Marketing Technique [9].
- Technology: Technology Used in Production Process [6] Technology Used in Marketing Process [6], Technology Used in Packaging [6] The Problems in Technological Used [10].
- Cooperation: Support that given by Government [6] Support that given by Private Sector [11], Support that given by NGO [6], Cooperation in Product Licensing [10].
- Capital: Capital Source [12], Capital Used [12], Obstacle in Capital [12], Profit Amount [12].
- Work Force: Work Force Amount [10], Wages of Work Force [10], The Last Education of Work Force [12].

We are collecting the data based on the variable above and then analyzing those data using mind map method with the following results.

3.1. Batik Jarak Arum

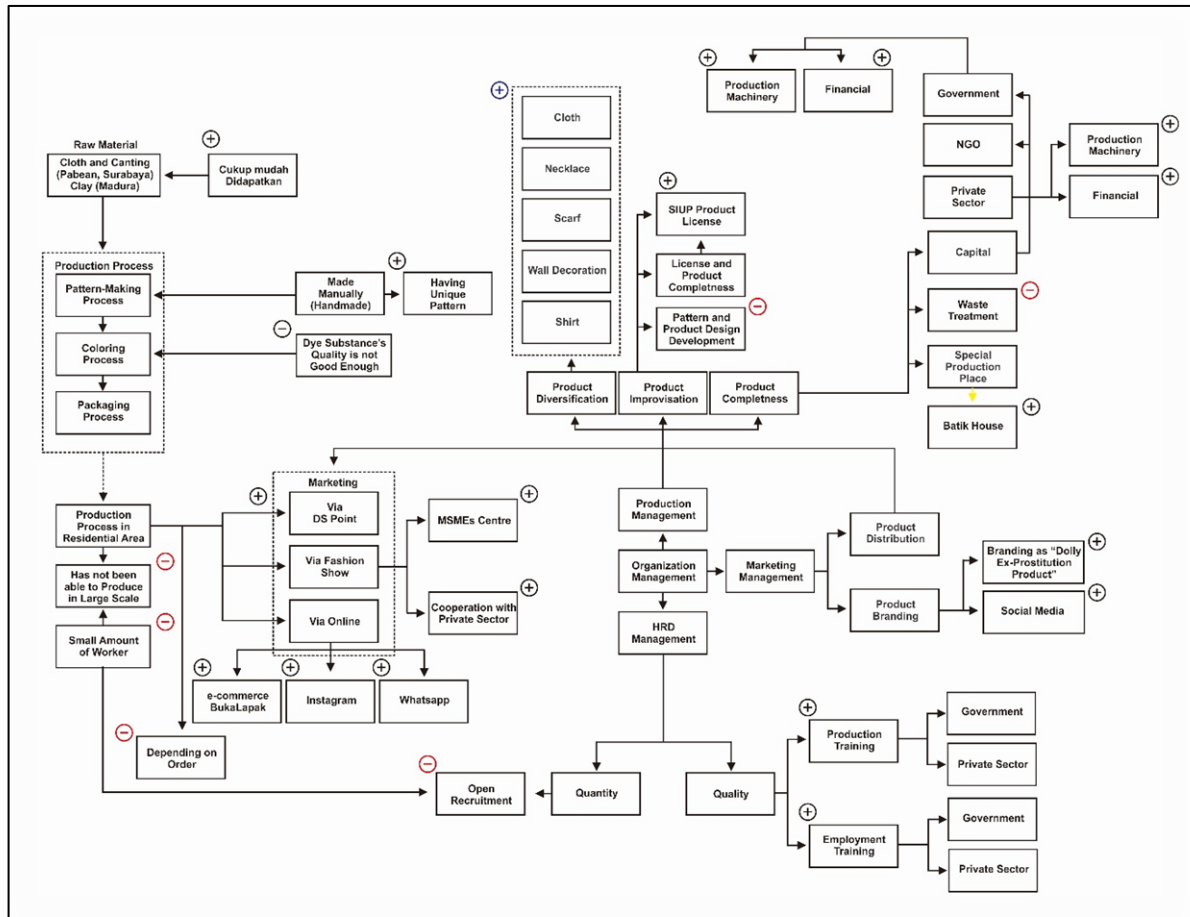


Figure 1. Mind Map Analysis of Batik Jarak Arum

Based on mind map analysis above, we can see the potential and problems of Batik Jarak Arum. The first potential is raw material that is quite easy to get. The main raw materials such as cloth and canting are obtained from Pabean District, Surabaya. As for the clay, it is obtained from Madura. The next potentials are related to marketing, Batik Jarak Arum has been marketed online through Instagram, WhatsApp, and Bukalapak Apps and has been marketed offline through DS Point (only for Dolly product) and specifically for batik products there is also Batik House. There is also a fashion show in several Mall and MSMEs Centre in Surabaya as in Town Hall, Siola, and MERR. In addition, Batik Jarak Arum also has a branding as Dolly ex-prostitution area product in a hope to increase the number of sales.

The next potential is related to the batik product itself. Batik Jarak Arum already has a diversified product in the form of cloth, necklaces, scarves, wall decorations, and clothes. In addition, Batik Jarak Arum already has a SIUP business license. The manufacture of batik is still manual and has a distinctive pattern from Batik Jarak Arum (a morphed butterfly) thus distinguishing the product from other similar products. The next potential is related to cooperation with government, private sector, and NGO. There is capital assistance in the form of production and financial tools from government and private sector. Apart from that, there is also training / assistance from the government and private sector.

The first problem is related to the small amount of human resources that result in the incapability of Batik Jarak Arum to meet large scale demand. Furthermore, for the problem in batik product itself, there is a problem on the dye used in coloring process is not good enough in quality.

The next problem is related to the product marketing. Batik Jarak Arum has a dependency to the orders, the production process is not done every day that will affect the sustainability of the product. There is also the problem related to the production process, it has no waste treatment and particular place for production. In addition, the absence of batik development is also a problem because the lack of innovation will cause consumers to become bored with existing products. The last problem related to cooperation with government, private sector, and NGOs is the unavailability of capital assistance from NGOs.

As for creative industry mapping, from the explanation above we can understand that the upstream industry for this MSMEs is the industry of fabric, canting and dye. As for the core industry, Batik Jarak Arum MSMEs act as one, it is processing plain fabric into batik cloth. And also as the downstream industry, batik cloth is then re-processed into a variety of products which is wall hangings, bags, necklaces and scarves are also done in this arum distance batik and make it downstream industry.

3.2. Sepatu Mampu Jaya.

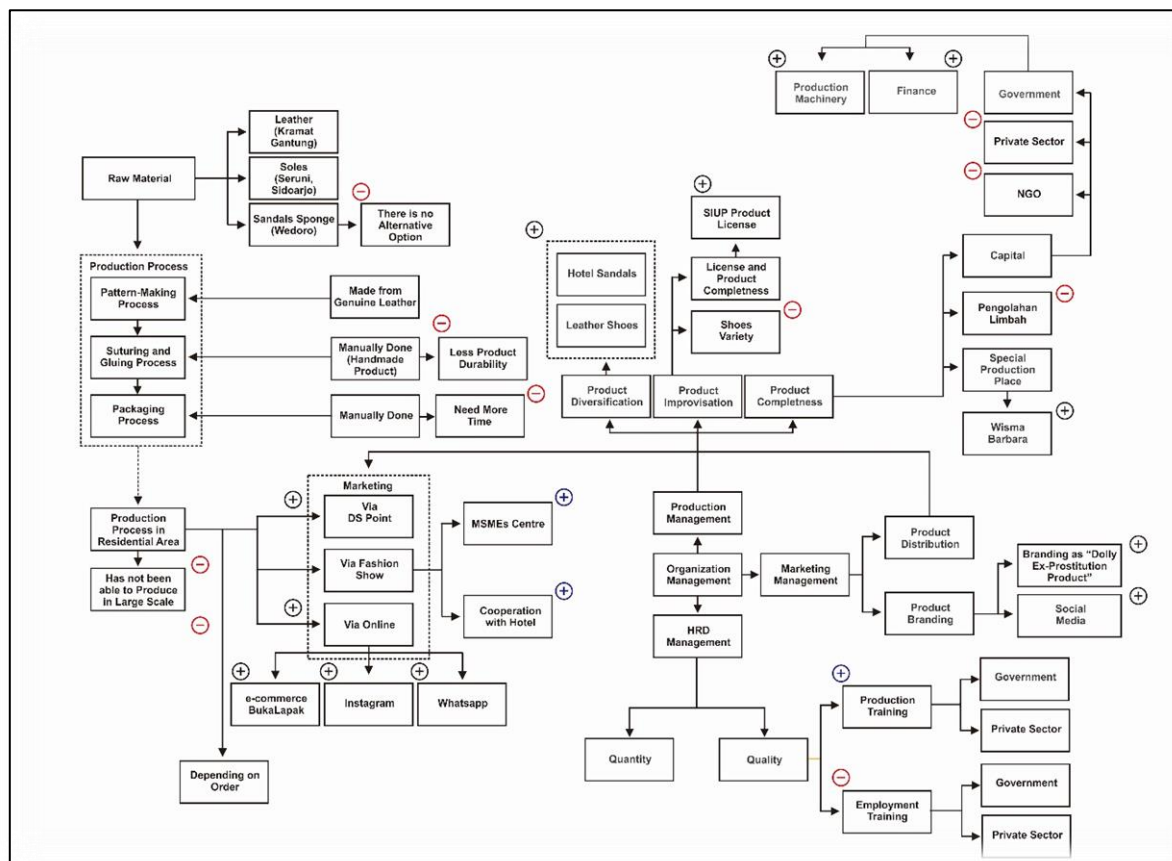


Figure 2. Mind Map Analysis of Sepatu Mampu Jaya

Based on mind map analysis above, we can see the potential and problems of Sepatu Mampu Jaya. The first potential is raw material that is quite easy to get. The main raw materials such as leather are obtained from Kramat Gantung, soles from Seruni, Sidoarjo, and sandals sponge from Wedoro. As for the clay, it is obtained from Madura. The next potentials are related to marketing, Sepatu Mampu Jaya has been marketed online through Instagram, WhatsApp, and Bukalapak Apps and has been marketed offline through DS Point (only for Dolly product) and Wisma Barbara. There is also a fashion show in several Mall and MSMEs Centre in Surabaya as in Town Hall, Siola, and MERR. In addition, Sepatu Mampu Jaya also has a branding as Dolly ex-prostitution area product in a hope to increase the number of sales.

The next potential is related to the footwear product itself. Sepatu Mampu Jaya already has a diversified product in the form of leather shoes and hotel sandals. As for hotel sandals, Sepatu Mampu

Jaya is cooperating with Grand Surabaya Hotel, Bekizar, Night and Day Life, and Patata. And for leather shoes, the marketing area has reach Kalimantan Island and Papua Island. In addition, Sepatu Mampu Jaya already has a SIUP business license. The next potential is related to cooperation with government, private sector, and NGO. There is capital assistance in the form of production and financial tools from government and private sector. Apart from that, there is also training/assistance from the government. The first problem is related to the small amount of human resources that result in the incapability of Sepatu Mampu Jaya to meet large scale demand. Furthermore, the problem is in footwear product itself that still manually processed by hand.

The next problem is related to the product marketing. Sepatu Mampu Jaya has a dependency to the orders, the production process is not done every day that will affect the sustainability of the product. There is also the problem related to the production process, it has no waste treatment and particular place for production. In addition, the absence of footwear development is also a problem because the lack variety of footwear product will cause consumers to become bored with existing products. The last problem related to cooperation with government, private sector, and NGOs is the unavailability of capital assistance from NGOs and private sector.

As for creative industry mapping, from the explanation above we can understand that the upstream industry for this MSMEs is the industry of sponge and leather. As for the core industry, Sepatu Mampu Jaya MSMEs act as one, it is processing sponge and leather into shoes and sandals. As for supporting industries for this MSMEs are thread, super-glue, and printing place needed for producing and packaging.

3.3. Sablon Art Generation

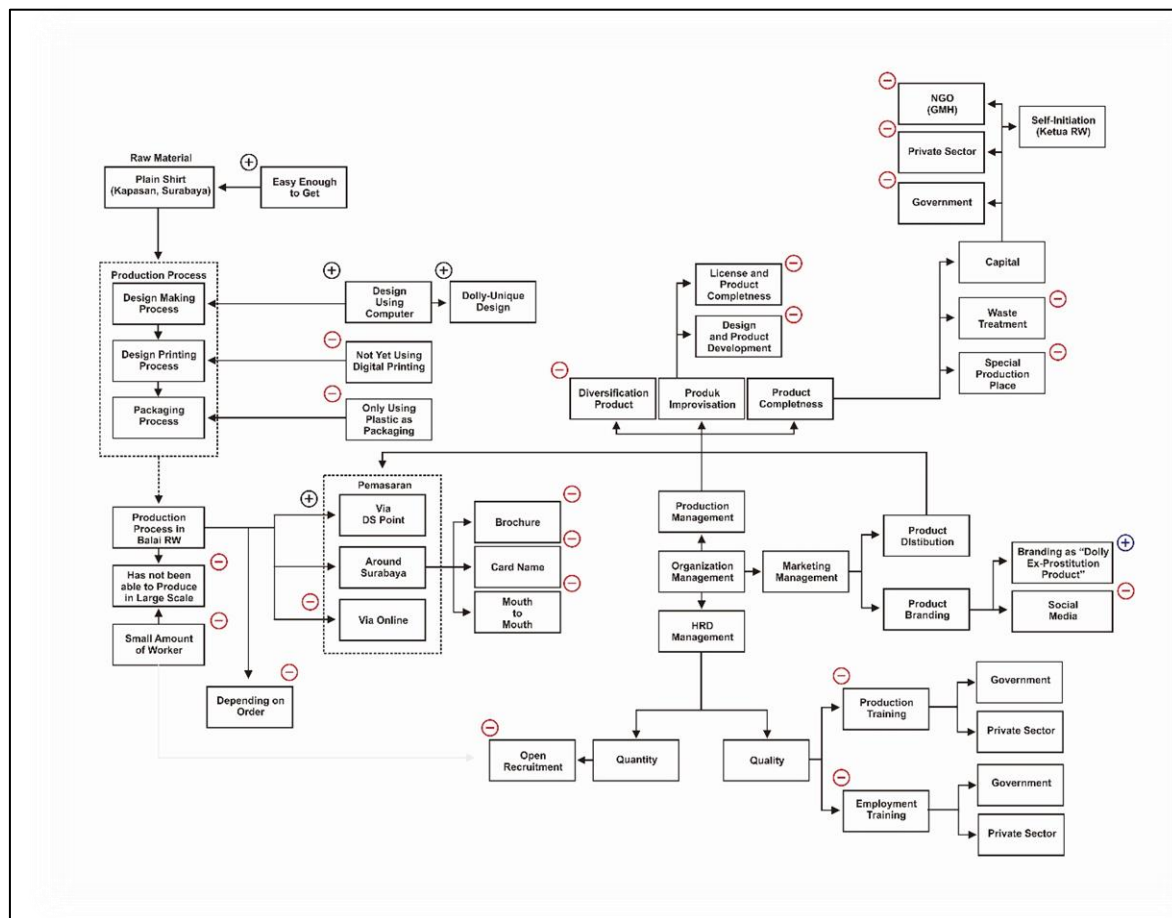


Figure 3. Mind Map Analysis of Sablon Art Generation

Based on mind map analysis above, we can see the potential and problems of Sablon Art Generation. The first potential is raw material that is quite easy to get. The main raw material of clothing is obtained from Kapasan District, Surabaya. The next potentials are related to marketing of product, Sablon Art Generation has been marketed offline through DS Point (only for Dolly product). Sablon Art Generation also has a branding as Dolly ex-prostitution area product in a hope to increase the number of sales. The next potential is related to the clothing product itself. It has a unique design that describes the transformation history of kampong Dolly.

The next potential is related to the clothing product itself. Sablon Art Generation already has a diversified product in the form of leather shoes and hotel sandals. As for hotel sandals, Sepatu Mampu Jaya is cooperating with Grand Surabaya Hotel, Bekizar, Night and Day Life, and Patata. And for leather shoes, the marketing area has reach Kalimantan Island and Papua Island. In addition, Sepatu Mampu Jaya already has a SIUP business license. The next potential is related to cooperation with government, private sector, and NGO. There is capital assistance in the form of production and financial tools from government and private sector. Apart from that, there is also training/assistance from the government. The first problem is related to the process of production. The process of making screen-printed shirt is started by creating a design and then print the design. After that the screen-printed process is done. The next problem is related to the product marketing. Sablon Art Generation has a dependency to the orders, the production process is not done every day that will affect the sustainability of the product. There is also the problem related to the production process, it has no waste treatment and particular place for production, Sablon Art Generation still using Balai RW 3 as production place. In addition, the absence of product development is also a problem because the lack variety of clothing product will cause consumers to become bored with existing products. The last problem related to cooperation with government, private sector, and NGOs is the unavailability of capital assistance from the government, NGOs, and private sector. The main capital source is from Ketua RW 3.

As for creative industry mapping, from the explanation above we can understand that the upstream industry for this MSMEs is the industry of plain shirt and leather. As for the core industry, Sablon Art Generation MSMEs act as one, it is processing plain shirt into screen-printed shirt. As for supporting industries for this MSMEs are dye and other chemical material.

4. Conclusion

The conclusion of this research is that there are three active MSMEs in kampong Dolly such as Batik Jarak Arum, Sepatu Mampu Jaya, and Sablon Art Generation. Creative industry mapping is done by identifying MSMEs based on the principle of local economic development. Based on the results of the mapping of identified types of developing creative industries are fashion industry and culinary industry. From root-cause analysis, we know that each MSMEs has their own potentials and problems. The main potential of MSMEs in kampong Dolly is a product that has unique characteristics (hard to found in other place), the easiness of getting raw material stock, and branding as Dolly ex-prostitution area's product. While the main problems faced by MSMEs in kampong Dolly is the narrow area of market destination, small amount of product for each production, still using the old and traditional method of production, and low quality and quantity of the workers.

Based on these potentials and problems we provide some recommendation for the development of fashion industry MSMEs in kampong Dolly as the following.

1. Providing joint transport vehicles to facilitate the distribution of raw materials and products
2. Organizing joint product-licensing for whole MSMEs in kampong Dolly
3. Optimizing the capital system to help the development of product variety
4. Establishing the institutional cooperation of inter-stakeholder to take care managerial affair of MSMEs in kampong Dolly
5. Expanding the marketing area with the use of information and communication technology
6. Improving the quality and quantity of workers for large-scale production

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