



## Jember Creative Industry Distribution Model Towards the International Market

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### ARTICLE INFO

**Received:** (30 May 2022)  
**Received in revised:**  
(1 June 2022)  
**Accepted:** (7 June 2022)  
**Published:** (20 June 2022)

**Open Access**

### ABSTRACT

The creative industry is one of the industries that currently supports the Indonesian economy. The purpose of this study is to formulate the distribution model of Jember's creative industry towards the international market, especially in the performance art sector. This study is exploratory qualitative research in Jember using SMEs as a population. The analytical tool used in this study was FGD and a fishbone diagram. The results of the fishbone diagram analysis showed several causes of SME growth problems such as the lack of HR skills in foreign languages, the inadequate sophisticated technology in business, and the minimal amount of business capital. The inappropriate adoption of the technology was then identified as the root cause of the problem. Thus, the distribution model for the creative industry to increase competitiveness in the international market is the technology application in every element of the SMEs.

Keywords: Creative Industry, SMEs, Distribution Model, Fishbone Diagram

## 1. Introduction

The role of the creative industry in the Indonesian economy is increasingly showing a considerable influence. This is also one of the reasons for the government to focus on developing the creative industry in Indonesia (Santosa, 2020). In 2019, it was recorded that the creative industry sector contributed Rp. 1.105 trillion in the country's GDP. The number of creative industry business players in Indonesia is caused because the creative industry is considered more energy efficient. It emphasizes human creativity, exploits nature less, and the profits that can be obtained are high. In addition, because it emphasizes the side of human creativity, the creative industry is an industry that is quite promising to create jobs that can absorb the number of the Indonesian workforce (Bhakti Nur Avianto, 2017).

The number of creative industry players in Indonesia is huge and dominated by businesses still at the SMEs level. Although there are several creative industry SMEs players in Indonesia, the ability to export SMEs products from the creative industry is still far behind compared to other countries. This happens because of the obstacles experienced by the Indonesian creative industry in obtaining data, target market, market reach, network, and access to business places that are vital in global competition (Shaferi and Widiastuti, 2013). This condition must be improved so that the ability of creative industry SMEs players will increase and be able to be competitive in the international market.

In 2019 the Ministry of Cooperatives and SMEs recorded the number of SMEs in Indonesia as many as 65.47 business units ("Berapa Jumlah UMKM di Indonesia?," n.d.). Based on these data, the province of East Java is the center of the creative industry SMEs, and Jember Regency ranks at the top as the district that has the number of SMEs engaged in the creative industry sector. Although the number of creative industry SMEs in Jember is vast, the ability of these businesses to promote their products to the international arena is still very minimal. Most promotions of Jember's creative industry products in foreign markets rely on the arrival of foreign tourists visiting tourist areas, such as Bali. There is very little direct promotion. This has become one of the obstacles to developing the creative industry in Jember in reaching the international market. Several SMEs businesses resulting from the creative industry in Jember that have penetrated foreign markets include coffee, chocolate, tobacco, handicrafts, and performing arts.

However, based on another perspective, it is stated that the support of technology and information that is proliferating should make the creative industry in Jember able to penetrate the international market. This is evidenced by Jember's superiority in technology, namely the number of transactions using the second largest e-money in East Java (Hariri, 2019). The number of users of e-money and digital wallet transactions in Jember in 2019 was recorded at approximately 258 people.

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One of the many users of this digital transaction is supported by many e-commerce players who encourage people to make transactions online. Head of KPwBI Jember Hestu Wibowo said that e-commerce transactions in 2018 reached Rp. 77.76 trillion. Whereas in 2017, it was only IDR 30.9 trillion. Based on this data, there is a 151% increase in e-commerce transactions in a year. SMEs are one of the contributors to online transactions (Hariri, 2019). The digital transaction method and the availability of e-commerce should encourage the Jember SMEs to go to the international market. However, the fact is that the number of SMEs in Jember Regency that goes to the international market is only 1%. Therefore, smart solutions are needed to the problems of internationalization of SMEs in Jember Regency, especially in the SMEs of the creative industry in the performance art sector. The purpose of this research is to formulate a distribution model for the creative industry in the Jember, especially for the performance sector towards the international market. This research is also a form of implementation to improve the effectiveness and efficiency of the performance of SMEs in the creative industry of Jember.

## 2. Research Method

This research uses exploratory qualitative research. Exploratory qualitative research is a form of research that aims to provide an overview of the research variables/objects without analyzing the relationships or relationships between variables (Dimiyati, 2019). The research design formulates a distribution model for craft clusters that have the potential to reach the international market. The sample used was a non-probability sampling technique with a convenience sampling method applied to the selected group of SMEs. The total respondents that used in this research are two SMEs from the performing sector in Jember.

The unit under study was the creative industry SMEs in Jember Regency in the performing sector. The place of research is one of the creative industries in the Jember performances sector, namely the Tanoker stilt show. The choice of place for this research was first discussed through FGDs involving experts.

The analytical tool used in this research is fishbone analysis (Fishbone Diagram). Fishbone analysis categorizes various potential causes of a problem or subject matter in an easy-to-understand and neat way (Imamoto et al., 2002). Cause-and-effect diagrams help assist in selecting the causes of spread and organizing relationships. How to make a causal diagram is as follows (Ishikawa, 1988):

1. Determine quality characteristics.
2. Write down the quality characteristics on the right side by drawing a big arrow from the left side to the right side.
3. Write down the main causal factors by directing the branch arrows to the prominent arrows.
4. Write down the factor that is considered a cause that resembles a twig into each branch.

The application of the fishbone diagram is designed to formulate a distribution model for the creative industry in the performance sector in Jember Regency towards the international market. This fishbone diagram is one method for analyzing the cause of a problem or condition. This diagram serves to identify the root cause of a problem that occurs.

## 3. Result and Discussion

### 3.1 Results of the FGD of Creative Industries in the Field of Jember Performance

The Forum Group Discussion (FGD) activity is carried out to determine which MSMEs were chosen as representatives for the performance sector in Jember Regency. The FGD process involved experts who discussed the management process of Jember's show business which includes business management of marketing, human resources, and finance. The results obtained from the FGD are as follows:

#### Marketing

Business management analysis in the marketing department is carried out by considering the 4P marketing mix (Product, Price, Place, Promotion). The detailed explanation is as follows:

##### a. Tanoker

The products produced by Tanoker Stilts are in the form of goods and services. The goods are produced through Tanocraft, whose production is currently supported by seven business groups of women in the field of handicrafts. Tanocraft quality control is carried out to maintain product quality, shape and size accuracy, and complete maturity. The QC process at Tanocraft consists of 2 stages, namely QC in the middle of production and QC in the office. This is done to maintain the quality of the product and can go international. The goods produced by Tanocraft are very, very unique and creative by utilizing raw materials from nature. Tanoker has several performances for service products, consisting of a stilt festival and a tourist village. The Tanoker Festival raises local wisdom and uses traditional and unique ingredients that are very interesting. This is a competitive advantage and Tanoker's competitive advantage and is ready to compete compared to other similar products.

The price charged is also following the quality. International pricing consists of 3 methods: pricing oriented to income, operations, and customers. Due to the uniqueness and good quality of Tanocraft's products, there are not many problems in setting prices to go international. Tanocraft can use methods that match its vision and mission. This pricing can be superior to similar competitors because the products displayed are unique so that consumers are not sensitive to the prices offered.

Place strategy is concerned with determining the number of intermediaries to distribute goods to consumers. For products with high characteristics or uniqueness, the shorter the distribution channel and the better for delivering value to consumers. The distribution carried out so far is a direct distribution to consumers, either through the CEO or exhibitions. Another strategy that can be used is to use the website that Tanoker has so that buyers can make transactions directly.

Promotions are carried out by Tanocraft through the CEO directly and through giving gifts to essential guests so that their products can be widely known. For Tanocraft, the most effective promotion is selling products directly. The opportunity that can be taken is to open promotions through other media so that they can be much better known in the international arena. Promotion can be done by holding exhibitions abroad to pick up consumers and provide exciting information to persuade the public.

#### **b. Jember Fashion Carnaval (JFC)**

The products produced by JFC include goods and services. The goods produced are in the form of unique clothing with clothing themes that are firmly referenced from domestic themes or the latest issues in the international world. In addition, JFC also produces accessories to complement the appearance of clothing usually ordered for international beauty contests from Indonesian representatives, such as crowns, necklaces, or bracelets. Meanwhile, his service product is as a consultant at similar street carnival events in Indonesia, such as the Solo Batik Carnival, Banyuwangi Ethno Carnival, and Malang Flower Carnival. This is because JFC is the pioneer of the largest street carnival in Indonesia. The uniqueness of JFC opens opportunities to attract consumers worldwide because nowadays, there are more and more international fashion activities, both held at home and abroad.

The prices set by JFC are very varied to accommodate the consumer market of all groups while still paying attention to quality. The price of the JFC carnival audience, which is held annually, is set in stages and according to the help of the visitors. Rates for reporters or photographers also differ. There are no problems with the clothing and accessories offered if the products produced are unique.

Place strategy includes delivering value to customers. Regarding products in the form of goods, can take advantage of the marketplace or website to shorten the distribution channel so that the delivery of value, especially the uniqueness of JFC products, can be carried out to the maximum.

Promotions carried out by JFC are carried out through events that JFC participates in addition to the carnival itself, which is usually held in August. This is done so that JFC can be widely known. In addition, to expand the network owned by JFC.

### **Human Resources**

#### **a. Tanoker**

The process of attracting talent show participants was carried out by selecting children in Ledokombo District as part of the Tanoker activity community based on children visiting the residence of the Tanoker pioneers. Children who visit have a desire to participate wholeheartedly, without coercion, and are willing to work together to develop the Tanoker community. Suporahardjo and Farha Ciciek, as pioneers of Tanoker, also believe that children who are members of this community need to develop their potential and are directed to respect others as a form of local wisdom in the Jember area.

Tanoker is a driving agent for rural social change in Ledokombo District through a cultural approach. The approach taken is in the form of guidance on the content of cultural values in traditional stilt game media, the use of musical instruments, and discussions on specific themes related to everyday social life. Along with that, Tanoker also approached through the implementation of various competitions.

The efforts made by Tanoker to build a healthy organizational culture have succeeded in creating social change in Ledokombo District. At first, the Ledokombo community was in a state of slow development, then proceeded to experience rapid development. The changes in children's awareness, mindset, and behavior can be seen, which are then internalized in the Ledokombo community. This can build cooperation within the family and between the Ledokombo community and communities outside the Ledokombo District.

#### **b. Jember Fashion Carnaval (JFC)**

The existence of volunteers has many vital roles in implementing the JFC event, which is held as a prestigious event in Jember. The definition of a *volunteer* is a term for people who give their time, energy, and thoughts to a particular activity. JFC volunteer activities can be interpreted as human resources that need to be managed optimally by HR managers to achieve success in achieving goals. In order to bring up qualified volunteers or human resources, volunteers need to be appropriately managed. Taufiqurokhman (Taufiqurokhman, 2009) stated that HR has roles, functions, duties, and responsibilities as those who carry out preparation, recruitment, and selection. Based on the research results, (Tulastri et al., 2020) stated that JFC's volunteer management was carried out through four stages, namely preparation, selection, coaching, and evaluation. JFC volunteer recruitment starts from the volunteer selection stage. In the initial stage, volunteers need to fill in the registration form, continue by looking at the curriculum vitae of prospective volunteers, and end with the interview stage. This recruitment aims to get prospective volunteers who have the background and abilities that match the profiles contained in the job desk specifications that will be given to volunteers in JFC events. The volunteer recruitment process begins with disseminating information through communities collaborating with JFC. This information is also disseminated openly through JFC's official social media.

The process of developing and training HR through HR management efforts in managing JFC participants is by producing solidarity between groups, which becomes the social capital owned by each JFC participant. JFC's HR management in HR development is to invite educated and uneducated JFC participants to join and participate in every JFC event. JFC participants are facilitated by free fashion training to show output, or when the event is held, people are interested in participating or watching the performances of JFC participants. The existence of a training program provided to participants also aims to create and foster a learning process for the participants, thereby encouraging interaction between participants. This process indirectly forms solidarity with the organization. Based on Proborini's research (Proborini, 2017), in terms of human resource development, JFC always makes innovations that refer to JFC's vision and mission. It is hoped that JFC will be able to compete healthily at the national and international levels. Quality that is constantly maintained will foster the creativity of participants, managers, and management of JFC and innovation in each event.

**Finance**

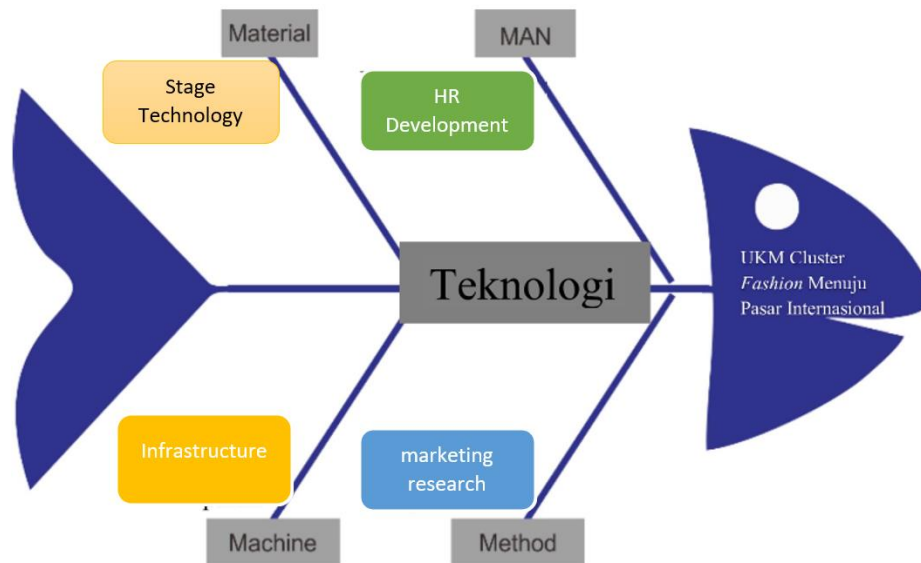
Tanoker is one type of potential development of children through an organizing process with a cultural approach. Through this Tanoker performance, it is believed that it will be able to lift the culture of the community that has begun to be abandoned, namely the stilt game. This potential is certainly a distinct advantage for the Tanoker show to gain access to funding to develop further cultural performances in society that are starting to be forgotten. Not only targeting local consumers but also attracting international consumers.

Compared to JFC, which is already legendary and known by the Indonesian people, and even internationally, access to JFC funding is relatively easy. It is because support in access to funding is still very much needed by Tanoker to be able to develop further the potential of the products produced. In addition, if Tanoker gets easy access to funding, it will also impact improving the economy of the surrounding community because the human resources used by Tanoker are natives from Ledokombo District.

Based on the analysis and information obtained as discussion material, the results of the FGD for the Jember creative industry SMEs in the performance sector were represented by Tanoker. Furthermore, a distribution model for the creative industry in the Jember performance field will be recommended for the international market. The preparation of the distribution model will use the fishbone diagram approach.

**3.2 Fishbone Diagram of Creative Industry Performance Field**

A Fishbone diagram is one of the methods used to analyze the cause of a problem or condition. This diagram serves to identify the root cause of a problem occurs. The results of identifying problems in Tanoker as a representative of the Jember creative industry. The field of performance to go to the international market is shown in the following picture 1:



Picture 1: Fishbone Diagram of Tanoker

**a. Man**

The problem with achieving Tanoker's international market is the talent's ability to use foreign languages. In a show that will be able to entertain foreign tourists, it requires active communication skills from the talents. It is intended so the talents can explain and convey their story in the show that is being played to the audience, especially viewers from abroad. In addition, the development and process of running a Tanoker business only rest on the owner. Business development ideas tend to be given by the owner, while the employees only act as implementers. It makes the cadre process in employee devel-

opment at Tanoker not go well. This situation must begin to change so that the development of Tanoker's performance business can be more extensive while still utilizing existing resources and competing with world-class shows that have already known internationally.

**b. Method**

Tanoker needs to do further research on the international target market. This research is needed to increase the opportunity for Tanoker to compete with other international class performances that have been known by the public, especially the international community. Marketing research is also needed to analyze more specific aspects of marketing, delivery of superior consumer value, consumer desires, consumer expectations, perceptions, satisfaction, and consumer loyalty as connoisseurs of the Tanoker show.

**c. Material**

Tanoker still has not used the latest additional stage technology to support the quality of its performances. One thing needs to be improved so that the quality of the performances presented can make the audience satisfied and memorable. Several international-class shows have used virtual reality technology to support interesting show results for the audience. This technology can also be used and utilized as support by Tanoker to produce spectacular and international-class performances. Another problem is the location of the performance venue, which is far from the city center of Jember. It makes tourists must travel quite a distance to enjoy the Tanoker show.

**d. Machine**

As previously explained, the Tanoker show has a superior performance product, namely the stilt show. The problem in the production process of performing services that need to consider is the unavailability of adequate parking space, so visitors who come using motorized vehicles must look for parking spaces that are far enough away. In addition, the management of basic facilities still needs to be fulfilled adequately to be able to bring the Tanoker show to the international market.

Based on the results of the analysis that has been carried out, it is found that Tanoker represents several problems in the creative industry SMEs in the performance sector. The main problem found is manpower, which includes developing human resources and leadership. Human resource development problems include the lack of talent and expertise in foreign languages and the decision-making process that is only centralized to the Tanoker owner, which is an obstacle for Tanoker to compete internationally. The solution to this problem is by providing foreign language communication assistance for Tanoker's talents and getting used to communicating using foreign languages in daily activities. The social impact obtained by this habituation is to support the local community and use foreign languages so that when foreign tourists visit Tanoker it is not difficult to find the location. Leadership that is more inclined toward business owners will be better if considering the opinions of business management members, especially young people so that they can come up with creative ideas for the next show. The involvement of members in developing the show's design can support the maximization of the use of the latest technology so that the Tanoker show is more up-to-date and able to compete with other international class performances. In addition, marketing using digital media can be applied by Tanoker to make it easier for consumers who want to enjoy this stilt show.

#### **4. Conclusion**

Some of the causes that are the main obstacles for Tanoker to reach the international market, namely lack of skills in using foreign languages and not being up to date in using technology in business and being too dependent on business owners. Based on several identified causes, the root of the problem lies in technology. The appropriate international distribution model for the creative industry SMEs in the performance sector in Jember, to have great competitiveness in the international market, is to apply adequate technology in every element of the company, starting from the understanding of the owner, the use of technology in machines and methods and materials, to the use of technology in the marketing distribution channel of the business. The limitation in this research is the lack of data from informants because it is still being carried out during the covid-19 pandemic. The things that can be done in further research is to conduct research as a concrete development of the research results obtained in the form of analyzing the competitive advantage position of the Jember creative industry, especially in the performance sector towards the international market

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