
Infrastructure and ecosystem analysis of creative craft industry

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ABSTRACT

The creative industry contributes greatly to the Indonesian economy but the export contribution of Indonesia's creative industry is still weak. Therefore, it is necessary to study the analysis of the ecosystem and infrastructure of MSMEs. The purpose of this study is to analyze the competitive position of the craft cluster creative industry. This type of research is descriptive quantitative research with the simple consisting of the craft cluster SMEs. The sample was taken using multistage sampling method, which consisted of purposive sampling and convenience sampling. Analytical tool used is the BCG Matrix. Competitive position of creative industries can be identified from several aspects, including infrastructure and ecosystem aspects. Competitive position of the infrastructure aspect is known through market share on the horizontal axis of the BCG Matrix and competitive position of the ecosystem aspect is known through market growth on the vertical axis of the BCG Matrix. Based on analysis of the BCG Matrix, the craft cluster is in dog quadrant. Dog quadrant has low infrastructure and low ecosystem conditions. The right strategy to apply to craft clusters to get their products out of the dog quadrant is a defense strategy that includes downsizing, diversification or liquidation.

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ABSTRAK

Industri kreatif memberikan kontribusi yang besar terhadap perekonomian Indonesia, namun kontribusi ekspor industri kreatif Indonesia masih lemah. Oleh karena itu, perlu dilakukan kajian analisis ekosistem dan infrastruktur UMKM. Tujuan dari penelitian ini adalah untuk melakukan analisis terkait dengan posisi kompetitif industri kreatif klaster kerajinan. Jenis penelitian ini adalah penelitian deskriptif kuantitatif dengan sample yang terdiri dari UMKM klaster kerajinan. Pengambilan sampel dilakukan dengan metode multistage sampling yang terdiri dari purposive sampling dan convenience sampling. Alat analisis yang digunakan adalah Matriks BCG. Posisi persaingan usaha industri kreatif dapat diketahui dari beberapa aspek, antara lain dari aspek infrastruktur dan ekosistem. Posisi persaingan aspek infrastruktur diketahui melalui pangsa pasar (market share) pada sumbu horizontal Matriks BCG dan posisi persaingan aspek ekosistem diketahui melalui pertumbuhan pasar (market growth) pada sumbu vertikal Matriks BCG. Berdasarkan analisis Matriks BCG, cluster kerajinan berada di kuadran anjing atau dog. Kuadran anjing memiliki infrastruktur yang rendah dan kondisi ekosistem yang rendah. Strategi yang tepat untuk diterapkan pada klaster kerajinan agar produknya keluar dari kuadran anjing adalah strategi pertahanan yang mencakup perampingan, diversifikasi atau likuidasi.

Keyword:

Infrastructure, Ecosystem, BCG Matrix Analysis, Creative Industry, Small Medium Enterprise.

1. INTRODUCTION

The creative industry combines science and technology to encourage development and economic growth in Indonesia. Creative industries are considered more energy efficient because they focus on human creativity, minimal use, and exploitation of natural resources, which have quite promising profits. These three factors are also supported by a demographic bonus, meaning that the availability of Human Resources



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in Indonesia is quite abundant. Based on the results of data processing from the Ministry of Industry in 2015 it was noted that the creative industry sector was able to contribute to Gross Domestic Product (GDP) by 7%, creating employment as many as 11.8 million of the total national workforces, increasing the number of exports by Rp. 118 trillion. or 5.7% of the total national exports originating from 5.4 million business units.

The contribution of MSMEs to the Indonesian economy is their ability to absorb 97% of the total workforce and they can collect up to 60.42% of the total investment. However, the export capability of MSMEs is still limited at around 14.37% of total exports and the utilization of e-commerce is also still low at around 21%. Based on exporter data in 2020, there are 12,234 SME exporters or 83.3% of the total exporters with an export value of USD 5.3 billion. In general, the export potential of MSMEs is still dominated by products such as accessories, batik, crafts, fashion, and processed food and beverages. Even though MSMEs are ready to export, they are still experiencing various obstacles such as lack of knowledge of foreign markets, consistency of product quality and capacity, certification, and logistical constraints (Limanseto, 2021).

Although the creative industry contributes greatly to the Indonesian economy, the contribution of creative industry exports is still weak compared to that of other countries. South Korea, England, and Singapore have export contributions from the creative industry sector of more than 30%. This shows that the creative industries in these countries are able to penetrate the international market. Bank Indonesia (BI) assesses that MSMEs as representatives of the creative industry in Indonesia at least to be export-oriented or go international. Of the 800 MSMEs fostered, only 200-250 have sold their work abroad. Of the 15 creative economy sub-sectors that have been developed, there are three sub-sectors considered of having made a major contribution to GDP. They are the culinary sector of Rp. 209 trillion, fashion of Rp. 182 trillion, and handicrafts of Rp. 93 trillion as shown in the Figure 1.

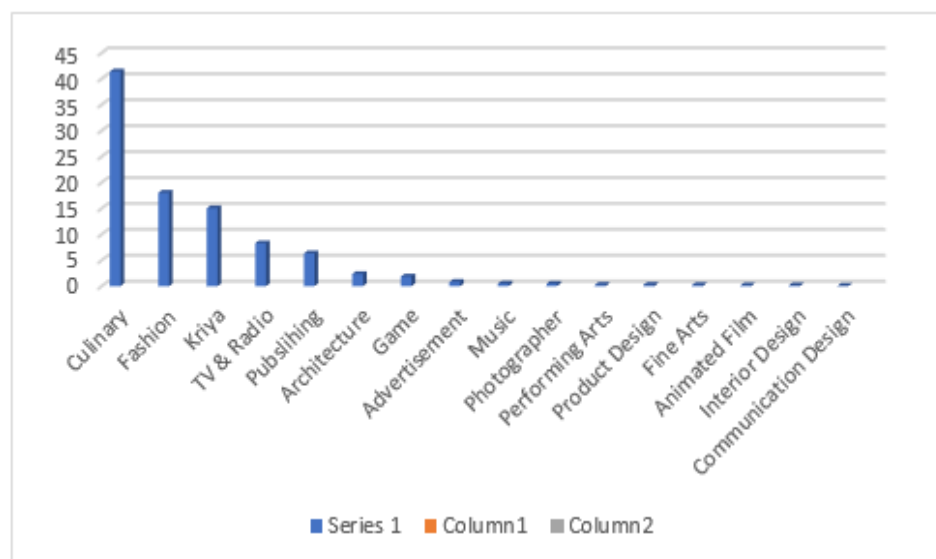


Figure 1
Graph of the Number of National Creative Industries

Source: Bekraf, 2016

**Table 1
Top Ten Gross Value Added of MSMEs by City**

No	City	MSME Contribution (in Million)
1	Surabaya	283.43
2	Sidoarjo	106.82
3	Pasuruan	86.76
4	Gresik	74.81
5	Malang	69.87
6	Jember	53.85
7	Banyuwangi	52.58
8	Mojokerto	46.88
9	Kediri	46.75
10	Tuban	42.03

Source: Diskopukm, 2021

According to Shaferi & Widiastuti (2013), in facing global competition, MSMEs in Indonesia have several limitations including limited access to market information, limited market reach, limited network, and limited access to strategic business locations. Faizah (2019) also explains in their research that the economic globalization requires MSMEs to continue to improve themselves in order to be able to compete. Therefore, there are several aspects that must be developed by MSMEs, including continuing to innovate the products produced, utilizing technological advances in production and marketing, increasing the competence of human resources according to their line of business, expanding information, reading market opportunities and expanding business networks, so they can dominate the market share, including the international market (Faizah, 2019).

There are many creative industry MSME centers in East Java that have the potential for development towards MSMEs that go international. One of the basic criteria is being able to compete in the international market as their ability to contribute to the national level of economy.

Based on the data in Table 1, it can be concluded that MSMEs in Jember Regency have a significant contribution to the economy in East Java. The competitive position of the MSME infrastructure aspect can be identified through market share on the horizontal axis of the BCG Matrix and the MSME competitive position from the ecosystem aspect. These can be identified through market growth on the vertical axis. The results of the mapping in this matrix will show the coordinate positions that indicate the existence of the creative industry concerned to grow and develop.

In order to support the creative industry, the department of cooperatives and micro-enterprises created a website-based application called the Online Application for Product Marketing of Cooperatives and Micro Enterprises. This application aims to market the Products of Micro Business Actors in order to support national and international market shares. One of the creative industries that is in the spotlight is the craft cluster, where several handicraft products are also offered in the online marketing application. To conduct a more in-depth analysis related to the competitive position of the craft cluster creative industry, the researchers conducted an ecosystem and infrastructure analysis in

one of the craft clusters. Therefore, this study is considered important for encouraging the handicraft clusters to market at a higher level (national and international level). The output of SMEs in the creative industry sector is experiencing fierce competition with similar products and their substitutes. Therefore, the problem statement in this research is "How is the competitive advantage used by MSMEs based on infrastructure and ecosystem aspects?"

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

International Marketing

Cateora & John (2011:11) define international marketing as the performance of business activities designed to plan, define the price, promote, and direct the company's goods and services to customers or users in more than one country for profit. The only difference between the definitions of domestic marketing and international marketing is that in the case of international marketing, marketing activities are carried out in more than one country.

Hollensen & Banerjee (2010) state that internationalization means doing business in several countries in the world. Internationalization is also defined as a process by which companies increase their involvement in the internationalization process (Kaffash et al., 2012). Another definition, namely, internationalization is the extent to which a company engages in international business. This internationalization includes exports, the presence of foreign subsidiaries, foreign ownership of shares, and the appointment of foreign parties in the organizational structure (Chelliah et al., 2010). Furthermore, based on the decision-oriented approach, (Hollensen & Banerjee, 2010) identified the internationalization process of a company into 5 processes, namely: 1. The decision to internationalize 2. Decision on which market to enter 3. Market entry strategy 4. Designing international marketing program 5. Implementation and coordination of global marketing programs The company's global competitiveness depends on the results of the five processes above which (Hollensen & Banerjee, 2010) calls global marketing planning. The aim of this global marketing plan is to create a sustainable competitive advantage in the global marketplace. Normally, companies go through a complicated process to develop a global marketing plan.

In SMEs, the process is more informal but in larger organizations, the process is more systematic. SMEs are often characterized as entrepreneurial and action-oriented decision-making models, which allow drastic changes to strategy because decision-makers are intuitive, sporadic, and unstructured. In other words, SMEs are more flexible than large-scale companies and able to react more quickly to sudden changes in the international environment (Hollensen & Banerjee, 2010).

Small and Medium Enterprises (SMEs)

There are many different definitions of SMEs based on their country of origin. Kushnir (2010) reveals that the definition of SMEs can depend on several factors such as business culture, country population size, industry, and the degree of international integration of the economy. It could also be the result of business lobbying for a certain definition so that their company can qualify for a government support program.

Several definitions of SMEs exist, for example the Hauser (2005) describes the definition of SMEs as unbranched, independent companies, which employ less than a certain number of employees. Medium Enterprises are companies with 50-249 workers who have a turnover of not more than 10 million euros. Meanwhile, Small Businesses are the companies with 10-49 employees and a turnover not exceeding 10 million euros.

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Meanwhile, according to Law Number 20 of 2008 concerning SMEs, Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law. Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies as owned, controlled, or become a part either directly or indirectly of Medium Enterprises or Large Businesses and also meet the Business criteria. Small as being referred to in this Law is that Medium Enterprises are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies. They are owned, controlled, or become a part either directly or indirectly with Small Businesses or Large Businesses with total net assets or annual sales proceeds as regulated in this Law.

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The criteria for Micro Enterprises according to Law Number 20 of 2008 concerning SMEs, they have a net worth of at most Rp. 50,000,000.00 (fifty million rupiahs) excluding land and buildings for business premises; or have annual sales of a maximum of Rp.300,000,000.00 (three hundred million rupiah).

The criteria for Small Businesses according to Law Number 20 of 2008 concerning SMEs, they have a net worth of more than Rp. 50,000,000.00 (fifty million rupiah) up to a maximum of Rp. 500,000,000.00 (five hundred million rupiah). This excludes land and building for business; or have annual sales of more than Rp.300, 000,000.00 (three hundred million rupiah) up to a maximum of Rp.2, 500,000,000.00 (two billion five hundred million rupiah).

The criteria for Medium Enterprises according to Law Number 20 of 2008 concerning SMEs, they have a net worth of more than Rp. 500,000,000.00 (five hundred million rupiah) up to a maximum of Rp. 10,000,000.00 (ten billion rupiah). This excludes land and building for business; or have annual sales of more than Rp.2, 500,000,000.00 (two billion five hundred million rupiah) up to a maximum of Rp.50, 000,000,000.00 (fifty billion rupiah).

Creative Industry

Creative Industries can be defined as a collection of economic activities related to the creation or use of knowledge and information. The creative industry is also known by another name for the Cultural Industry (especially in Europe) or also the Creative Economy. The Indonesian Ministry of Trade stated that the creative industry is an industry that originates from the use of individual creativity, skills and talents to create prosperity and employment opportunities by generating and exploiting the creative power and creativity of the individual.

According to Howkins, the Creative Economy consists of advertising, architecture, arts, and crafts. design, fashion, film, music, performing arts, publishing, Research and Development (R&D), software, toys and games, Television and Radio, and Video Games. There are also different definitions of this sector, but so far, Howkins’ explanation has not been recognized internationally.

Creative industries are seen as increasingly important in supporting prosperity in the economy; various parties argue that “human creativity is the main economic resource” and that “twenty-first century industry will depend on the production of knowledge through creativity and innovation. Fields that are included in the creative industry are that related to this research is craft (kriya). Craft including production activities of works of art, functional products, ornamental and decorative objects, either from natural or artificial fibers.

MSMEs must compete by going international. Meanwhile, to be able to go international, one must be able to meet the international marketing criteria so that one must know the position of market share development and market growth. Therefore, it can be determined what strategy should be used for being able to go international. Therefore, BCG analysis is needed to determine the company’s current position. The BCG matrix is a portrait of the position and growth rate of the industry in sales, such as market size and competitive advantage that are important in making strategic decisions about various businesses (David, 2016).

Boston Consulting Group (BCG)

The analytical tool used to achieve the first and second objectives uses the BCG Matrix. The BCG Matrix used in this study is for determining the position of the creative industry in business competition. The competitive position of creative industries can be identified from several aspects, including infrastructure and ecosystem aspects. The competitive position from the infrastructure aspect can be identified through *market share* on the horizontal axis of the BCG Matrix and the competitive position from the

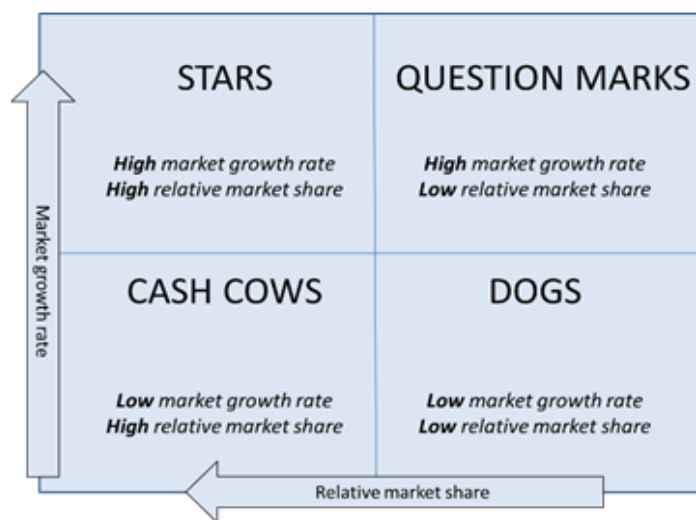


Figure 2
Boston Consulting Group

Source: (David, 2016)

ecosystem aspect can be identified through *market growth* on the vertical axis. The results of the mapping in this matrix will show the coordinate positions that indicate the existence of the creative industry concerned to grow and develop.

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Question Mark position shows the industry growth is high, but the market share is still low. Products in this position tend to have doubts about their potential because they are still new. Star position figure that high industrial growth, high market share. Products in this position are leaders in the industry. Cash Cow position shows the industry growth is low, but the market share is still high. While the dog's position illustrates that the growth of the industry and its market share are both low.

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3. RESEARCH METHODS

This type of research is quantitative-descriptive research. Descriptive quantitative research is a form of research that aims to provide an overview of the research variables/objects without analyzing the linkages or relationships between variables (Dimiyati, 2010). The design of this research begins with the clustering of creative industries. What is meant by creative industry is an industry originating from the utilization of individual creativity, skills and talents to create prosperity and employment opportunities by producing and exploiting the creative power and creativity of the individual. The craft cluster as a sample of the creative industry was chosen because it has a major contribution to the national and regional economy.

The researchers obtained the samples by multistage sampling method consisting of purposive sampling and convenience sampling. Purposive sampling was for cluster members with the criteria for craft SMEs. The sample criteria used are craft cluster SMEs that have permanent office or place of business or a long-term contract, communication network and operational staff who are proficient in communicating in English, company profile, Trading Business License (SIUP), Basic Compulsory Identification Number (NPWP). Next, Convenience Sampling was used to determine SMEs that represent the Crafts cluster. The basis for the determination is the accessibility of the relevant SME information. To answer the objectives of this research activity, Boston Consulting Group (BCG) was used to determine the position of the creative industry in business competition (David, 2016).

4. RESULTS AND DISCUSSION

Determining the position of the creative industry in the craft cluster in business competition based on the competitive position of the creative industry can be seen from several aspects, namely infrastructure and ecosystem aspects (Anggraeni et al., 2012). The competitive position from the infrastructure aspect is known through market share on the horizontal axis of the BCG Matrix, and the competitive position from the ecosystem aspect is known through market growth on the vertical axis.

The Competitive Position of the Craft Cluster Creative Industry

According to Kotler & Armstrong (2010), each competitive position requires a different competitive strategy. Firms in similar competitive positions must use this understanding to design market offerings that provide more value than their competitors' offerings. The competitive

position based on the role the company played in the target market is divided into four (Kotler & Amstrong, 2010), namely market leader, market challenger, market followers, and market niches.

The most important function in marketing is market growth, especially in the sales and revenue of the company. Rizal et al., (2021) emphasize several market growth strategies by Phil and Milton, one of which is to grow by building market share. Therefore, this study also chose one of the market leaders to be used as the object of comparison. In this case, a competitive position is obtained from Zayyan Art Design as a representative of the craft cluster.

Based on the results of observations, it was determined that the market leader in this study was Balung Tutul (Muhsyi et al., 2021). The real market leader not only controls a larger market share than its competitors. If it controls market share 1% larger, a brand can be called a market leader. However, it only deserves the appendage of 'the real' if it has a market share of more than 50%. Normally, if a brand has dominated more than half of the market share, then the position of its competitors must be far below it because the rest is up for grabs by a number of players.

Infrastructure-based Competitive Analysis

Relative market share is the share of a company's total industry sales in a given market. The relative market share is represented by the horizontal axis. The company's market share is divided by the largest competitor's share. Relative market share serves as a measure of the firm's strength in the relevant market segment. The relative market share position is defined as the ratio of the market share of a particular division to the market share of the largest competitor in the industry. The higher the market share value of a company, the greater the proportion of the market it controls. The relative market share position is given on the x-axis of the BCG matrix. The midpoint of the x-axis is usually 0.50 or equal to the division that has half the market share of the industry leader. The BCG matrix graphically shows the differences between the various divisions in terms of relative market share positions and industry growth rates. The BCG matrix allows multidivisional organizations to manage their business portfolios taking into account the relative market share position and industry growth rate of each division relative to other divisions in the organization.

The researchers collected the data and information through direct interviews at the Balung Tutul Handycraft and Zayyan Art Design. Most of the residents in Tutul Village, Balung District are crafters of beads, such as prayer beads, necklaces, bracelets, prayer beads, bags, and so on. Tutul Village is also a tourist destination. Many tourists from out of town to foreign tourists who come there. They can directly witness the

Table 2
Sales Omset on craft Cluster in 2018-2019

Craft Cluster	2018	2019	2020	2021
Balung Tutul Handycraft	IDR 198,000,000	IDR 110,000,000	IDR 37,500,000	IDR 48,000,000
Zayyan Art	IDR 22,500,000	IDR 20,000,000	IDR 10,000,000	IDR 15,000,000

Source: Data Processed, 2021

process of making beads. The Ministry of Manpower has named Tutul Village as one of the most productive rural communities in Indonesia. Tutul Village handicraft products have also penetrated domestic markets such as Jakarta, Bali, and Batam, as well as foreign markets such as Saudi Arabia, Australia, and Japan (Nashrillah, 2022).

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Based on the results of information collection in the field on the craft cluster, the researchers found that sales turnover data from Balung Tutul Handicrafts (as the market leader for the craft industry) and Zayyan Art Design (as the object of research or representative of the craft cluster) during 2018 to 2021 is as in Table 2.

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Based on the data, the calculation of market share data on the horizontal axis is obtained. Market share serves as a measure of the firm's strength in the relevant market segment. The market share is calculated using the formula below.

Industry Market Share 2019

$$\begin{aligned} &= \frac{\text{T Industri 2019}}{\text{T Industri 2019} + \text{T Objek 2019}} \times 100 \% \\ &= \frac{110.000.000}{110.000.000 + 20.000.000} \times 100 \% \\ &= 85\% \end{aligned}$$

Market Share 2020

$$\begin{aligned} &= \frac{\text{T Industri 2020}}{\text{T Industri 2020} + \text{T Objek 2020}} \times 100 \% \\ &= \frac{37.500.000}{37.500.000 + 10.000.000} \times 100 \% \\ &= 78,95\% \end{aligned}$$

Industry Market Share 2021

$$\begin{aligned} &= \frac{\text{T Industri 2021}}{\text{T Industri 2021} + \text{T Objek 2021}} \times 100 \% \\ &= \frac{48.000.000}{48.000.000 + 15.000.000} \times 100 \% \\ &= 76,2\% \end{aligned}$$

Average Industry Market Share 80,05%

Object Market Share 2019

$$\begin{aligned} &= \frac{\text{T Objek 2019}}{\text{T Industri 2019}} \times 100 \% \end{aligned}$$

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$$= \frac{20.000.000}{110.000.000} \times 100 \% \\ = 18,2\%$$

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Object Market Share 2020

$$= \frac{T \text{ Objek 2020}}{T \text{ Industri 2020}} \times 100 \% \\ = \frac{10.000.000}{37.500.000} \times 100 \% \\ = 26,7\%$$

Object Market Share 2021

$$= \frac{T \text{ Objek 2020}}{T \text{ Industri 2020}} \times 100 \% \\ = \frac{15.000.000}{48.000.000} \times 100 \% \\ = 31,3\%$$

Average Object Market Share 25,4%

Ecosystem-based Competitive Analysis

Based on the research, market growth is the projected level of sales for the market to be served. It is usually measured by the percentage increase in the value or volume of sales in the last two years. The axis is divided into two parts: more and less than 10 percent growth per year. Market growth above 10 percent is considered high. Therefore, this variable symbolizes market attractiveness. The y-axis describes the industry's growth rate in sales as measured in percentage terms. The percentage growth rate on the y-axis can range from -20 to +20 percent, with 0.0 as the midpoint. These range numbers on the x and y-axes are often used but other numbers can be created if deemed appropriate for particular organization. To determine the industry growth rate (market growth rate) the following formula can be used. Market growth describes the reach of the organization or shows the development of the organization. The theory behind the matrix assumes that an indication of a higher growth rate is accompanied by a demand for investment. Market growth rates say more about brand positioning than just cash flow. It is a good indicator of the strength of that market, with potential to confront the market life cycle with the organization's attractiveness to future competitors. It can also be used in growth analysis.

The researchers obtained from the calculation of market growth data (market growth) on the vertical axis (comparison of objects (Zayyan Art Design) with industry (Manik Balung Tutul). The market growth rate (Market Growth) is used to find out how the projected sales level for the market is measured. The following are the results of calculations from the market growth of the craft cluster industry in 2019-2021:

Industry Market Growth 2019

$$\begin{aligned} & \frac{T\ 2019 - T\ 2018}{T\ 2018} \times 100\ \% \\ & = \frac{110.000.000 - 198.000.000}{198.000.000} \times 100\ \% \\ & = -44,5\ \% \end{aligned}$$

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Industry Market Growth 2020

$$\begin{aligned} & \frac{T\ 2020 - T\ 2019}{T\ 2019} \times 100\ \% \\ & = \frac{37.500.000 - 110.000.000}{110.000.000} \times 100\ \% \\ & = -66\ \% \end{aligned}$$

Industry Market Growth 2021

$$\begin{aligned} & \frac{T\ 2021 - T\ 2020}{T\ 2020} \times 100\ \% \\ & = \frac{48.000.000 - 37.500.000}{37.500.000} \times 100\ \% \\ & = 28\ \% \end{aligned}$$

Average Industry Market Growth -82,5%

Object Market Growth 2019

$$\begin{aligned} & \frac{T\ 2019 - T\ 2018}{T\ 2018} \times 100\ \% \\ & = \frac{20.000.000 - 22.500.000}{22.500.000} \times 100\ \% \\ & = -11\ \% \end{aligned}$$

Object Market Growth 2020

$$\begin{aligned} & \frac{T\ 2020 - T\ 2019}{T\ 2019} \times 100\ \% \\ & = \frac{10.000.000 - 20.000.000}{20.000.000} \times 100\ \% \\ & = -50\ \% \end{aligned}$$

Object Market Growth 2021

$$\begin{aligned} & \frac{T\ 2021 - T\ 2020}{T\ 2020} \times 100\ \% \\ & = \frac{15.000.000 - 10.000.000}{10.000.000} \times 100\ \% = 25\ \% \end{aligned}$$

Table 3
Average Market Growth and Market Share of Handicraft Clusters

Products	Average Market Growth(%)	Average Market Share(%)
Craft Industry	-82.5	80.05
Zayaan Art	-36	25.4

Source: Processed Data, 2021

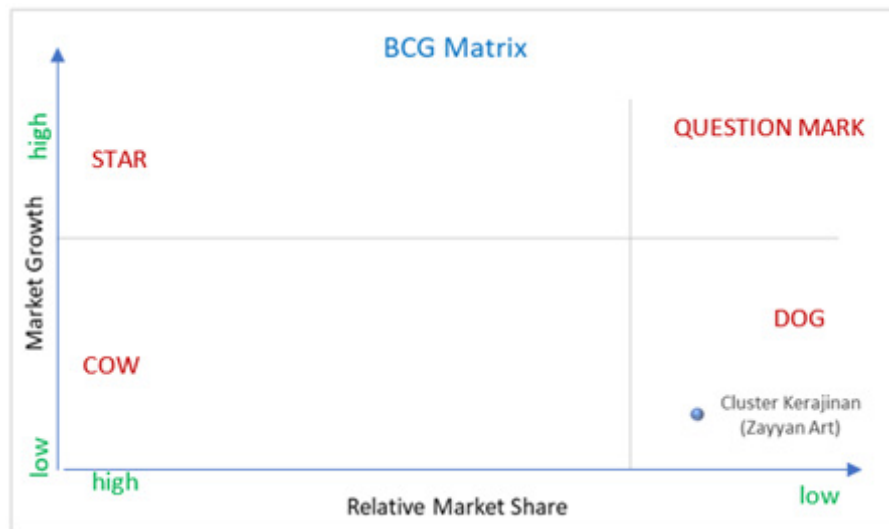


Figure 3
Craft Cluster BCG
Source: Processed Data, 2021

Average Object Market Growth -36%

Boston Consulting Group (BCG) Matrix

Based on the calculation results of infrastructure analysis (market share) and ecosystem analysis (market growth), some important information is obtained. This information is described in the table below.

The analysis of the craft cluster infrastructure is 0.18 in 2019, 0.26 in 2020 and 0.31 in 2021. These values indicate less than 1 (<1) which means that the craft cluster has a smaller market share than its competitors because the relative market share value is smaller than one. Figure 3 shows that the craft cluster is in the dog or dog quadrant. The dog quadrant has low infrastructure and low ecosystem conditions.

DISCUSSION

Boston Consulting Group (BCG) Matrix Analyst

The company with the highest market share tends to have a cost leadership position based on economic scale. If a company uses the experience curve, it must be able to make and sell new products at prices low enough to take the market share leadership first (assuming no competitors have succeeded in copying it). When a product becomes a star, it is destined to be a very profitable product because its future as sources of income is unavoidable. After locating the company's current product line or business unit positions, the analyst can project future positions, assuming no change in strategy. Management can use current and projected metrics to help identify important strategic issues facing the organization.

The result shows that the craft cluster is in the dog or dog quadrant. The dog quadrant has low infrastructure and low ecosystem conditions. This makes the business not generate revenue or large amounts of money. This position is usually at the break-even point or BEP at which point it generates little money to maintain its business market share. When viewed based on the Product Life Cycle theory, products in a dog position have experienced a decline or setback. In that position, new products need to be presented and marketed to replace old products that tend to be outdated. If the old product is not replaced immediately, the company will only be able to do business in a very limited market.

In connection with the various problems faced by MSMEs, a strategy is needed to overcome them. To develop MSMEs, of course, it is not only burdened on MSMEs themselves but must obtain the support of all stakeholders and technology (Hamid & Susilo, 2012). The key to the concept of the BCG matrix is to pay more attention to competitors and market potential. These two combinations are very important and crucial factors in both practice and theory to understand the concept of the BCG matrix. When the market is stagnant, this is the main key in considering the steps that can be taken by each company because, with stagnant market growth, this is an early indication that the company may be in a crisis condition (Putra, 2014).

The results of this study support previous research by (Nashrillah, 2022) which stated that also explain in their research that the economic globalization that occurs requires MSMEs to continue to improve themselves in order to be able to compete. Based on the results of data collection, it is known that the craft cluster requires some investment because resources both in the form of human resources and financial resources are very low due to their weak internal and external positions (Muhsyi et al., 2021). In addition, this cluster maintains old products, which can be said to tend to be premium and have a high selling price compared to its competitors. The strategy that is deemed appropriate to be implemented in the craft cluster so that its products can get out of the dog quadrant is a defense strategy, which includes shrinking, diversification or liquidation.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Based on the BCG Matrix analysis, the craft cluster is in the dog or dog quadrant. The dog quadrant has low infrastructure and low ecosystem conditions. The appropriate strategy to be implemented in craft clusters so that their products can get out of the dog quadrant is a defense strategy that includes downsizing, diversification or liquidation. So the researchers suggest that the creative craft industry needs to implement intensive strategic policies to improve its market position, for example by seeking a larger market share through better marketing efforts for handicraft products, introducing handicraft products to the wider community through various media, both digitally and digitally. Alternatively, non-digital and diversify handicraft products. The limitation in this research is the data on the number of MSME Crafts, which is very large and varied, so it is necessary to carry out in-depth clustering, pre-processing and further adjustment. The following are the managerial implications of

the findings of the data analysis that has been carried out: 1. for further similar research, it is expected to collect more information related to the number of industries studied. It is hoped that the data used is appropriate and informative which can also be generalized to a particular industry or MSME. 2. Handicraft SMEs are expected to continue to innovate both related to handicraft products and their marketing process.

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