

Potential and Constraints in The Business Development of Woven Sticks Handicrafts in Ciamis Regency during The Digital Economy Era

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Abstract. The purpose of this research was to determine the potential and constraints of the sticks woven handicraft industry, particularly with regard to the marketing of handicraft products. This qualitative research discovered that sticks woven handicraft products were relatively durable and potential to be marketed off line and on line. However, in spite of the online marketing, manual marketing models was still difficult to be implemented because the selling price was still determined by the dealers. The handicraft entrepreneurs could not negotiate with these dealers who were also capital providers for their business. Therefore, the results of field observations indicated that there was a need to develop the production of sticks woven handicraft products through digital marketing. This marketing method was expected to be able to boost the number of buyers because the online marketing system could bring potential buyers from both local and foreign countries. One of the ways to develop the marketing of weaving handicrafts is through business cooperation between entrepreneurs as producers and village-owned enterprises (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village as marketers.

1. Introduction

Ciamis Regency is an area that has the largest planting area of coconut trees in East Priangan. Coconut trees are one of the natural resources that roots, stems, and leaves are beneficial to humans. Through human creativity in this area, coconut trees can be processed and become income so that it can become a business opportunity that has the potential to generate substantial profits. Original products or derivative products of coconut trees (consisting of stems, roots, fruit, leaves and sticks) have been used by humans for a long time, including: wood, fresh coconut water, coconut oil, coconut milk, broomsticks, doormats, nata de coco, galendo, decoration for traditional events and others. Various uses and benefits of the coconut tree create business opportunities that have great potential to support the economy and welfare of the community living in Ciamis Regency [1].

The following discussion focuses on the sticks woven handicraft industry. It is the business of making various household items such as a plate, a fruit basket, a lampshade, a pencil holder and others that are woven from sticks. This business was initiated by the creative idea of one of the residents of Cibadak village, Banjarsari sub-district, called Mr. Kinkin. He saw that the coconut plantation that was abundant in the area around his residence had the potential to be useful and had economic value. Mr. Kinkin then had an idea to create product made from the sticks, one part of the coconut tree. People usually used sticks as brooms by collecting a number of sticks tied with ropes to sweep the yard. But, in the hands of Mr. Kinkin, sticks can be created in such a way that they can be woven into plates or other woven craft forms. Pa Kinkin's handicraft products were originally only marketed in limited circles. However, it turned out that the community unexpectedly welcomes this woven handicraft product enthusiastically. Finally, Mr. Kinkin invited the surrounding community, especially unemployed mothers and teenagers, to make woven crafts in the form of stick plates to be marketed. In the beginning, many people refused to participate in making stick woven plate products because they felt less skilled at weaving the sticks into plates. However, Mr. Kinkin patiently guided the people in his neighbourhood and finally the community began learning weaving sticks and, in a relatively short time, became skilled in making stick plates. [2] At present, weaving business, especially in the form of plates of various sizes, is occupied by the community in Wanayasa village and makes the area a weaving centre. This woven

craft business is very potential and can even be developed, considering that the economic benefits can support the economy of the community in Wanayasa village, Cibadak, Ciamis Regency. In addition, this business can become an icon of Ciamis Regency as one of the regions that have the largest coconut plantation area in East Priangan [3] However, in fact, the woven weaving business is facing the following problems: [2]

1.1 *Business capital*

Recently, the business capital of the woven craft entrepreneurs was financed by the dealers. In this case, the order and payment to the manufacturer was based on the price determined by the dealer. Therefore, the producers were dependent to dealers in terms of product sales. If the dealer did not make any order, many of the products were not sold. When there were orders from individuals, they often requested payment in advance so that the order could be completed immediately. They could not afford to buy raw materials with their own money since they had no capital for business. They did not borrow money from the bank because they could not pay the instalments and interest. In addition, they did not understand the procedure for borrowing money from the bank. This made them unwilling to open a bank account. In fact, if there were transactions that use bank payments, they usually asked the Chief for help because they could not handle it themselves.

1.2 *Unstable product price*

The price of woven handicraft products from time to time was relatively unstable. The purchase price was determined by the dealer. If there were many requests, the price determined could cover the operational costs. However, if the demand decreased, the prices would also drop, so that it could only cover the operational costs, especially paying the workers who also came from the neighbourhood.

1.3 *Other area claims for woven craft products*

The distance from Ciamis to Tasikmalaya is approximately 70 km, where Tasikmalaya district has been known as a place where people can produce various handicrafts such as mendong mats, painting wooden umbrellas, embroidery fabrics, mendong woven bags and others. The woven handicraft products that were originally produced by craftsmen from Cibadak village were also sold in Tasikmalaya at the rest area in Rajapolah district where there were shops for souvenirs. Thus, many people believed that woven stick products were originally from the Tasikmalaya region. According to Cibadak village officials, it was very detrimental to the craftsmen from Cibadak village.

1.4 *Limited ability to expand the marketing.*

The marketing targets of woven handicraft products, especially those in the form of dishes, were culinary entrepreneurs, catering and general consumers. Target market areas included Bandung, Jakarta, Tasikmalaya, and Lampung. Product marketing was still limited because the crafters had not been able to market their product independently. Technical assistance and attention from the local government were still limited. The promotion was still very limited and relied solely on the role of government officials through exhibitions on certain events such as exhibitions on the commemoration of the Republic of Indonesia's Independence Day or Anniversary of Ciamis Regency. Marketing offers or promotions had not utilized the social media or online media due to the limitations of the entrepreneurs in mastering technology communication.

1.5 *Legal protection of the products*

In general, weaving handicraft entrepreneurs did not understand their rights, especially concerning the importance of intellectual property rights of these products.

Based on the research background, the research problems are formulated as follows:

1. What are the potentials and constraints faced by woven craft entrepreneurs in running their business?
2. What efforts can be made so that the subject of capital in the woven craft business does not depend on the dealer?

3. What efforts can be made so that woven handicraft entrepreneurs can understand the copyright of woven stick products?
4. How can efforts be made to expand the marketing of the woven craft products?

The purpose of this research is to:

1. Investigating the potential and constraints faced by woven weaving business operators
2. Finding out the efforts that can be done in the capital sector in the woven *lidi* craft business
3. Formulating efforts that can be done so that the plate weaving businessman can understand about IPR woven plate stick products
4. Developing efforts that can be done to expand the marketing of woven craft products.

2. Research method

This research used qualitative research method, namely a method that essentially observes people in their environment to study certain people so that data can be collected (1996: 5)

2.1 The scope of research

This research examined the existence and activities of woven handicraft business that include the potential and obstacles faced by entrepreneurs in running the business

2.2 Data Source

1. Six entrepreneurs of woven handicraft business
2. The Chief of Cibadak and 2 officials of Cibadak village

2.3 Data collection methods

Data collection was conducted by:

1. Interview with six woven handicraft entrepreneurs and interview with the Cibadak village head and Cibadak village officials
2. Field observations around the production area
3. Field documentation which includes the condition of the production site and the woven stick production process, starting from the initial stage to completion

2.4 Data analysis

Data analysis in this research referred to the analysis of the Miles and Huberman model which stated that activities in qualitative data analysis are carried out interactively and take place continuously so that the data is saturated (Sugiyono, 2017, p 246-252). The stages of data analysis were: 1) Data reduction. 2) Data presentation, 3) Data verification

2.5 Research Implications

The results of this research were expected to be able to provide input and advice to woven handicraft entrepreneurs and the village owned enterprises (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village in order to develop the marketing of woven handicrafts production that eventually increase the income for both parties in accordance with the agreement of business cooperation among the parties concerned

3. Findings and discussion

There were several potentials of the woven handicraft business including the relatively high availability of raw materials and labour and the desire of entrepreneurs to continue this business. However, there were a number of constraint factors, which include limited capital, lack of ownership of

product copyrights, limitations of manual marketing and on-line marketing and limited knowledge of entrepreneurs about the application of online marketing.

In the case of financing for business capital, the entrepreneurs needed the support from a third party such as a cooperative or financing institution that would not burden them in the procedure of repaying their loans. In various references related to small businesses, capital is indeed a factor that often become a constraint for the development of small businesses. In terms of financing, although it was actually provided by banks, entrepreneurs generally did not understand banking procedures because they did not have knowledge about the procedures for borrowing money from banks. They were scared and did not have the confidence to deal with the bank. Psychologically, the existence of financial institutions that can cooperate with these entrepreneurs should understand their psychological conditions.

Intellectual property rights are property in the form of rights that have legal protection, meaning that other people are prohibited from using that right without permission from the owner's permission. This is related to intellectual activities based on creative and thinking activities in the form of expression, creation and discovery in the field of technology and services. In addition, another definition of intellectual property rights is "the rights arising from the ability to think that produces a product or process that is useful to humans" (Sari & Simangunsong, 2007, p. 112).

In our country, the legal regulation of intellectual property rights on brands is found in Law No. 15/2001, Law Number 14 of 2001 concerning Patents, and Law Number 19 of 2002 concerning Copyright. The product from the woven handicraft business is a product that needs to be preserved by the craftsmen, because it is important for the producers not to be treated arbitrarily by other parties who want to utilize and gain unilateral profits from the product. This ignorance factor is indeed reasonable, because most of the education handicraft entrepreneurs were relatively low and most worked concurrently as farmers, so they did not understand the importance of a brand that should be embedded in the products they produced. For future development, entrepreneurs are recommended to start taking care of intellectual property rights from product creation by registering trademark creations of woven handicraft products to the Law and Human Rights Office.

The discussion on product marketing will be related to the community groups that are the target of the product buyer. This buyer group is called the market segment. When planning the results of a product, it is necessary to calculate an estimate of the size of the segment that will be the target of the sale. If there are not enough target buyers in a targeted market, it is necessary to consider about the possibility of entering the other market arena. In this case, developing a number of alternative marketing plans can be chosen, such as: opening new markets for existing products, opening new markets for new products, or opening existing markets for new products (Nitisusastro, 2009, p. 99). Whichever alternative will be chosen requires planning. The preparation of the plan itself requires information that is supportive so that planning can be done on target. Therefore information about markets related to products, competitor products, groups of buyers, newcomers, number of business people, ways of promotion carried out as well as other things that are considered necessary, are important to be collected by woven craftsmen in a systematic and sustainable manner (*ibid*). In connection with the development of the product marketing model that currently has occurred, it is necessary to take into account also about the promotion opportunities of new models that can be done with online methods such as online sales which are now increasingly widespread. The development of increasingly sophisticated information technology in fact can greatly help facilitate a producer to introduce and promote his products in an increasingly easy way as long as he is able to keep up with the development of communication technology itself. In order for online marketing to take place, an effective online marketing strategy is needed so that SMEs are more advanced and successful. Referring to HeroSoftMedia Digital Marketing Agency, by Ika Nur Solechah, it was revealed that effective marketing strategies for small and medium businesses are: 1) Entrepreneurs are required to have a virtual store, either their own or through an intermediary. To get visitors who become potential customers, apply online marketing strategies at the next points. 2) Entrepreneurs can use Facebook as an advertising medium. In this case Facebook can be used as advertising media because its users have reached 88

million users and have provided many tools that can facilitate ad performance. 3) Entrepreneurs can use Blogging or website content, where this blogging method is commonly used as a place of promotion. SMEs can create a blog that contains a full explanation of SME products. 4) Entrepreneurs can run email marketing, namely arranging several ways or tricks that can attract potential customers. 5) Entrepreneurs can use advertising provider sites, such as Instagram ads, Facebook ads, Google Adwords, Search Engine Optimization (SEO) or other advertising providers

The effort to develop marketing of woven handicraft products through business cooperation is an opportunity that can be done by employers considering the limited ability of entrepreneurs in mastering communication technology. Therefore, the development of marketing of these woven handicraft products is difficult to be done by entrepreneurs themselves. The way that can be done is to do business cooperation with the village owned enterprise (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village, so that they get direct encouragement from the Cibadak village for more optimal marketing development efforts. BUMDes can be a business partner for woven craft entrepreneurs for off line marketing and online marketing. For example, in off line marketing, BUMDes can create a showroom to display woven handicraft products. Furthermore, in online marketing, BUMDes can employ someone who understands the rules in online marketing methods so that woven handicraft products can be marketed through the internet. In this way, each party involved in a business partnership can carry out their respective activities in accordance with the capacity and capability of their business fields.

4. Conclusion

Based on the findings, it can be concluded that the woven handicraft business had the potential to be developed even bigger, because entrepreneurs were still willing to maintain their business and raw materials were not difficult to obtain. However, there were a number of obstacles to be resolved by the entrepreneurs, such as limited business capital, product copyright and limited marketing of products. These constraints, basically, can be resolved through business cooperation with the village-owned enterprises (BUMDes, *Badan Usaha Milik Desa*) in Cibadak village. Business cooperation between entrepreneurs and BUMDes can open business development opportunities in terms of capital and product marketing expansion. Thus, each party can synergize in the development where the entrepreneurs in the capacity as producers and BUMDes as capital providers and product marketers.

5. Recommendation

The results of the research can be a recommendation for the Cibadak village, in this case the village chief and management of the BUMDes in Cibadak village, so that the findings of the research can be applied as a form of village government service to community members to support business development.

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Field Observation Source:

- [1] Results of interviews with The Chief of Cibadak Village
- [2] Results of interviews with the officials of Cibadak village
- [3] Results of interviews with the Craftsmen

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