

# Utilization of Ulos as Creative Economic Potential for Communities in Indonesia

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**Abstract:** Indonesia has a lot of cultural heritage that it is decently called a multicultural country and cultural heritage as a silent witness of local culture which is important in building awareness of local history and culture to be national cultural identity. The existence of such cultural heritage has great potential in the development of the creative economy. This research aims to the preservation of the value of ulos in strengthening the cultural identity of Batak Toba societ the symbolic meaning of ulos in the implementation of the marriage. This research focuses to have the efforts made by the community in preserving the value of civic culture and to find out why the people of Batak Toba need to preserve the value of the civic culture. The researcher tried to analyze whether the product quality policy was conducted by Weaving Factory. Then the production had to be following the wishes of the community. Then it was interpreted that the company provided an affordable price by the general public layer from the lower level to the upper level and consumer tastes were satisfied. Those issues are influenced by the globalization era in which the development of lifestyle and technology increases rapidly.

## 1 INTRODUCTION

The term of creative word is debateable by many scholars and practitioners at economy field. Firstly, creative term is one of new approaches to develop economy sector in developed countries like European Union countries, or even in Australia by which creative economy was exposed in 1997 when cultural industries were as commercial activities (Hidayat & Asmara, 2017). Creative economy concept has emerged as means of focusing attention on the role of creativity as a force in contemporary economic life, stating that economic and cultural development are not separate but can be a part of a larger process of development . Not only in advanced countries, this concept can be currently applied in developing countries. This policy is a part of economy policies offering and providing new economy opportunities in those countries to boost and to accelerate economy growth into emerging high-growth areas as by which it is the same as economy growth in advanced countries (UNDP,2013).

Samosir Ulos Weaving Craft Centre is a staple of the Batak tribal handicrafts and is located in the

Samosir district which is also a place to buy and sell Ulos weaving exhibitions. According to the Batak concept, Ulos is an action infused with religious and magical qualities. In Batak society belief, Ulos is considered an object blessed by supernatural powers. The design location is in Pangururan Sub-district, LumbanSuhi-SuhiToruan Village, Samosir Regency, North Sumatra Province, Indonesia. This sub-district administratively consists of 9 Sub-Districts and 106 Villages. Ulos is a woven fabric, generally has a width of about 50-150 cm and a length of 150-220 cm and is made of cotton fiber yarn. Ulos is clothing in the form of cloth woven by Batak women with various patterns and sells in some clothing market. The craftsmen of Ulos in North Sumatera have received support from the government and the private sector, but not all them in the region get the help well, because the government has limitations in assisting 33 cities and districts in North Sumatra that require attention in the development small and medium business.

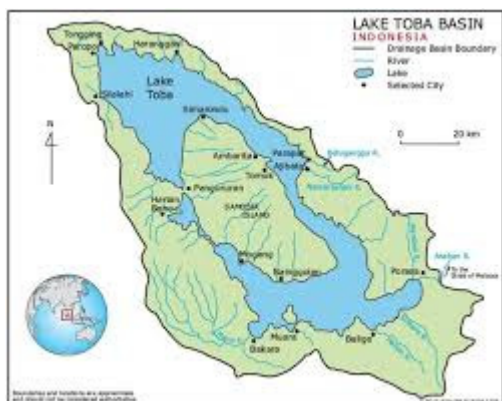


Figure 1. Samosir Island

Research on the craftsmen Ulos done to find the obstacles that are still faced by these craftsmen. Based on observations and interviews, there are differences in the priority of problems faced by Ulos North Sumatra.



Figure 2. Ulos

Developing a creative economy is believed to respond to the challenges of economic problems such as low economic growth, unemployment, poverty, and lack of industrial competitiveness. In the era of prosperity and self-improvement, creativity and innovation of creative workers to create unique and interesting ideas is one thing that needs attention. The behavior of creative workers in realizing their creative works in the traditional industries in Indonesia, especially North Sumatra has not been well identified. Focusing on the the production culture indicate how culture is contingently operationalised through processes that can be termed culturalisation (Richardson, 2019). Creative economies do not rely heavily on natural resources which means that their negative impact on

the climate is relatively weaker than in the case of other industries (Fazlaig, 2019).

This is caused by the absence of a valid and reliable instrument to measure and identify the behavior of creative workers. Indonesia has a diverse cultural heritage. It includes aspects of art, beauty, social, empathy, ceremony, and others. It signifies the high creativity of Indonesian people in their specific skills and talents. Cultural diversity is also supported by ethnic diversity in Indonesian society. It shows that Indonesia has a very strong supporting factor in developing a creative economy. Ulos should be the basis for the development of creative industries.

The uniqueness of each region must be maintained. Therefore, local culture-based potentials need to manifest themselves in the creative economy program. This is where the creative economy can begin. The creative industry developed is in line with the potential resources available in the local region. The creative economy is seen not only in the economic context but also in the cultural dimension. The results of this research conclude that Indonesia has great potential to develop creative industries. In the Markets/Users element, most orders come from a neighbouring country and are for imitation products to be sold at much lower prices compared to the original brands this will be a threat to our own culture if we do not maintain and promote it (Satari & As'ad, 2018).

## 2 LITERATURE STUDY

The development of regional economic conditions can be seen from the macroeconomic indicators as well as the regional economy. The definition – and associated measures of the economic contribution of these sectors towards national GDP, employment and exports – pushed towards their complete separation from the arts and cultural field, supposedly to be more socially and community oriented (Comunian, 2020). This separation has caused a rift in the understanding how creativity works favouring two different business models (CIs as private/for-profit industries and arts and culture as made up by not for profit/public companies) rather than an ecological complexity perspective (Comunian, 2019) The economy of a region cannot see the regional economy, the national economy of the global economy. There are economic factors that cannot be controlled by the regions, such as the policies of the central regional government, the monetary sector, or the real sector. Then the

influence of the global economy, such as the effect of fluctuating world oil prices, and foreign currency exchange rates, and the last is the effect of the global financial crisis which resulted in layoffs and sluggish export markets.

Preparation of Integration Plan Documents and the Medium Term Infrastructure Investment Program (RPI2-JM) in the Field of Public Works / Human Settlements, Samosir Regency 2015 – 2019

Regional economic performance indicators are Gross Regional Domestic Product (PDRB), inflation rate, contributions from each sector, investment levels (including PMA and PMDN), exports, and regional economic development indicators available in the regions.

Gross Regional Domestic Product (GRDP) is a measure of a region's macroeconomic performance. To see the growth of real economic fluctuations from year to year, it is presented through the GRDP at a constant base price according to business fields periodically. The GRDP of a region describes the structure of the regional economy, the role of the sectors, and their shifts based on GRDP based on or based on constant prices.

The economic growth of Samosir Regency in 2012 as measured by the increase in Gross Regional Domestic Product (PDRB) at 2000 constant prices was 6.07%, an increase compared to 2011 which was at 5.96%. Meanwhile, the estimated GRDP growth in 2013 in Samosir Regency is 6.52% and the estimated GDP growth in 2014 is 6.83%.

The dynamics of the Samosir Regency macroeconomy during 2012 have shown a shift in roles between sectors. This can be seen from the comparison of the distribution of the proportion of GRDP based on prices in 2011 and 2012. The sectors that experienced an increase were the electricity, gas, and water supply sector, the construction sector, the trade sector, hotels and restaurants, transportation and communications, the financial sector, and the service sector. The sector whose role is decreasing is the agricultural sector and the construction sector and the sector which is permanently moving is the mining and quarrying sector.

Growth was achieved by the construction and electricity, gas, and clean water sectors, namely 10.55%, followed by the financial, leasing, and corporate services sector at 10.27%, the mining and quarrying sector 8.59%, the transportation and communication sector. 7.24%, the trade, hotel, and restaurant sector 6.75%, the services sector 6.74%, the agricultural sector 5.66%, and the manufacturing sector 4.04%.

The prediction of changes in the structure of the PDRB in Samosir Regency tends to shift from the primary sector to the secondary sector and services, although it is still dominated by the primary or agricultural sector, which is then followed by the service sector, trade sector, hotels, and restaurants. The estimated change in GRDP from the agricultural sector from 2013 amounted to 58.36% to 57.44% in 2014. Followed by the service sector at 26.68% in 2013 to 27.73% in 2014, while the trade, hotel, and restaurant sectors in 2013 amounted to 9.78% to 9.69% in 2014.

1. The Marketing Mixture Each company that produces goods or services faces difficulties or problems in selling their products. Therefore, a combination of factors affecting marketing is needed. In reaching the marketing target, normally, a company applies a marketing theory called 'marketing mix'.

## 2.1 Marketing Strate

Marketing strategy is an integrated and integrated plan integral field that guides the activities undertaken to achieve the marketing objectives of a marketing. Market orientation emphasizes the organizational culture that generates the behavior neede to create superior value for customers. Empirical research has found activities at companies are engaged in new product development activities, linked to their market orientation level (Wahyuni & Made, 2020).

## 2.2 Understanding Product Quality

Every industrial company as a producer will always try to produce products that can meet the needs of the community or costumers, then the product must be following the wishes or needs of the community. Therefore, every company is not possible to meet all the needs and desires of consumers as a whole. Also, the company must first determine what products will be produced, which if appropriate following the ability of the company and consumer desires. The product has an important meaning for the company because, without the product, the company will not be able to do anything from its business. Buyers will buy the product if they feel fit because the product must be tailored to the desire or the needs of the buyer for successful product marketing. . The most common operational definition posits quality as the customer's perception of product and service excellence. In today's competitive environment, quality is the key to an organization's success and

survival. Intense global competition has highlighted the increasing importance of quality (Hoe & Mansori, 2018)

### 3 RESEARCH METHOD

This study was conducted in January 2020. In this study, the population was the product of Ulos. This research approach is descriptive qualitative. The purpose of descriptive research is to produce an accurate picture of a group, describe the mechanism of a process or relationship, provide a complete picture in either verbal or numerical form, present basic information on a relationship, create a set of categories and classify research subjects (Sugiyono, 2020). Meanwhile, the action research classified, detailed and identified the strengths, weaknesses, opportunities and threats (SWOT) of the value chain of the creative economy ecosystem in Samosir island. This research uses two methods namely direct observation in field and literatures review. Those methods are linear to how data was collected to complete this study. Direct observation was data which were derived from interview and data collection in field, as while literatures review was data which were derived from researches/studies results, books, scientific journals and articles, acts, and supporting documents.

#### 3.1 Data Collection Technique

- a. Interview  
Conducted by a question and answer activity directly to the respondent about the data needed. We interview ulos weaver on the Samosir island with a total of 10 weaver.
- b. Documentation  
This method was used to obtain data about company or community profile, corporate organizational structure, and other data. The documentation method used in this research is the result of interviewing researchers with ulos weavers, image documentation during the interview process and some literature review.



Figure 3: Documentation with ulos weaver.

### 4 RESULTS AND DISCUSSIONS

In this part of the analysis, the researcher tried to analyze whether the product quality policy was conducted by Weaving Factory. Then the production had to be following the wishes of the community. The purpose of doing product quality was to increase sales. Then it was interpreted that the company provided an affordable price by the general public layer from the lower level to the upper level and consumer tastes were satisfied.

#### 4.1 Analysis and Discussion of Product Quality in Increasing Sales

It had been described above that the purpose of the role of product quality was to increase sales. In reality, it was known that in fact, the market was heterogeneous for one product. Profitable sales were the goal of the marketing concept. This means that profits were obtained from consumer satisfaction. With this profit, the company could grow and expand, have greater capability, could provide a greater level of satisfaction to consumers, and could strengthen the overall economic condition. With the policy of improving the quality of Weaving, the sales amount was greatly increased. The number of sales each year changes, this was caused by the level of purchasing power and consumer consumption, as well as competition from similar products that change every year. Given the increasing competition while the seller's income was decreasing then the seller could not control the price because of the similarity of their products. Similarly, weaving the factory of Toba Samosir District which has a rival like other weaving plant businesses. So by seeing this reality, the seller began to acknowledge the added value of applying the policy



of product diversity that directly affected the level of sales volume of the product itself. If the quality of the product is in accordance with consumer expectations, then consumers can feel satisfied and will return to buy or promote the products we sell to others. Thus the sales volume will increase, and with the increase in sales volume it will increase our income, so that maintaining the quality of the products we sell is one of the focuses that must be done by ulos weavers on the island of Samosir. Maintaining quality can be done by still using traditional methods because by using traditional techniques, the resulting fabric will be better and the culture we want to preserve is maintained.

## 4.2 Analysis and Discussion of Marketing Strategy

Based on the SWOT analysis following the analysis of the marketing strategy of Ulos.

Table 1. Product Marketing Strategy Formulation

Internal Factors Eksternal Factors	Strength (S) 1. Unique Citizen Products 2. Many Product Variations 3. Price is appropriate and relative cheap	Weakness (W) limited product yield
Opportunities (O) 1. Samosir has a visit high travel 2. Many Tourism Objects 3. Broad market	Strength-Opportunities 1. Integrated promotion. 2. Direct promotion 3. Online promotion	Weakness – Opportunities 1. Establish a Target Market 2. Build partnerships
Threats (T) 1. Products from regions / countries other 2. Export Regulations	Strength – Threat 1. Maintain uniqueness 2. Increase insight product	Weakness – Threats 1. Creating a service excellence 2. Customer reward

Based on a SWOT analysis and the formulation of the strategy above, it is possible outlined the marketing strategy for creative economy products for citizens learn as follows :

### 4.2.1 Strength – Opportunies (SO)

Is a strategy with use force to take advantage of opportunities. Some strategic steps that can be taken as follows:

1. Promoting print media.  
Print media promotions include advertising in magazines or newspaper. Promotion with print media must pay attention to the target market of the product to be sold.
2. Doing direct promotions.  
Direct promotion can be done by spreading brochures or direct sales. Brochure or distribution sales can be made in tourist attraction or promotions to the store souvenirs, art shops and souvenir centers scattered in Danau Toba. Promotion in a direct way too done by following exhibitions on time certain, such as Exhibition Development in the order of the day independence or festivals and a show or tourist attraction annual, such as; Danau Toba Festival.
3. Doing online promotions.  
Promotion through online media such as website, facebook, and Whatsapp (WA) or social media other. Using social media as above will make it easier promotion and marketing. Advantages online marketing is possible reach a very wide market, and is not limited. Online marketing not time bound, however requires an understanding of technology adequate. Online marketing can be done between regions and between States, but requires readiness of production capacity, especially related product insights export and language skills foreign to communication.

### 4.2.2 Weakness – Opportunies (WO)

Is a utilization strategy opportunities by coping weakness is there. A few steps strategic that can be done between other;

1. Establish a target market.  
Despite the potential for the handicraft market. Establish a target the market is the first step must do in doing product marketing. Understanding and election against the target market will be creating efficiency and effectiveness in product marketing, because promotion and marketing can done in focus and with clear target. When stipulation the target market isn't done, then will create

confusion and in efficiency in doing marketing.

2. Build marketing partnerships.  
Partnership is very important for citizens who just started a business craft, because partners will helping citizens to increase insight regarding design, product, packaging and marketing promotion. Intertwine partnership is not an easy one, because citizens generally do not learn understand access to be partner with entrepreneurs. To the role of college and government is badly needed for make it easier for residents to obtain access to partner companies.

#### 4.2.3 Weakness-Threat (WT)

Is a strategy that is stick around and try to minimize weakness and avoiding threats. Strategic steps that can be taken among others;

1. Creating service excellence.  
Excellent service necessary strategic steps residents do to guard existence and consumer loyalty. In the early stages of service either can be translated as timeliness and maintain quality, because with quality and precise time for the product to arrive consumers, will grow consumer confidence in producer. And trust is main capital in business and capital efforts in maintaining and maintain sustainability an attempt.
2. Giving rewards for customers.  
Rewards for consumers can be price discounts or product bonuses. Bonuses and discounts can be given to that consumer loyal to that product produced by the manufacturer. Giving bonus will maintain loyalty consumers to buy. In addition giving bonuses, especially bonuses new product form is very good for the promotion of these products.

#### 4.2.4 Strength – Threat (ST)

Is a strategy to use the power to overcome threats. Strategic steps that can be taken as follows;

1. Maintain the uniqueness of the product.  
Improve product quality and maintain product uniqueness very important for citizens to creating competitive advantage or competitive advantage. Losing the uniqueness of the product can be cause to turn away consumers on a competing product has advantages and uniqueness more. Excellence or uniqueness the product is the core competence or core

competence who can make that product produced is unique and has a competitive advantage, so that maintain and improve the uniqueness of the product is must to acquire excellence in marketing product.

2. Increase insight about product.  
Product insights include design, raw materials and technology. Insights about products especially handicraft products are very important to be able to penetrate the export market. Every importer country or country export destinations have rules and set different conditions for incoming goods his country. Rules about dye handicraft products for the State

ASEAN is different from the rules in European and American countries. America apply high standards for coloring craft products. Craft items using chemical dyes and color solvents containing mercury or lead and resin are not permitted enter America. Meanwhile in ASEAN countries no coloring agents too much attention. Difference the standards set demand citizens as producers for have insight regarding marketing of products to other countries. Ignorance of this may cause a loss high for weavers.

## 5 CONCLUSIONS

From various information and discussion above, it was concluded:

- a. Marketing strategy with the implementation of product quality policy was one of the added value for Weaving Factory Toba Samosir in face competition.
- b. Analyzing a good market and applying a product quality strategy that has different characteristics thanthe previous product was an attempt to attract interest and desire from the company's product market.
- c. Improve quality begins from customer needs, the satisfaction of desire and so those who should determine the quality of the product, customer perception of quality is a comprehensive assessment of the superiority of a product. Need to improve service delivery to consumers, such as maintaining relationships.
- d. Creative economy has begun to do as leading component of economic growth, employment, and innovation in advanced countries. At conceptual stage, creativity and innovation are absolutely closed to improve people income through new creative economy strategy in a

region. Recently, this concept is emulated in developing countries through creative city policy offering new economy source opportunities to leapfrog into emerging high-growth areas of world economy. It is worthwhile to show that regional innovation system is appropriate approach to answer how creative cities run in several region. In Indonesia, many local government initiates creative cities using regional innovation system to run creative economy as sustainable program recently

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