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Competitive Advantages through Entrepreneurship Orientation and Innovation in Creative Batik Industry in Jember District

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Abstract:

This study aims to examine and analyze the effect of Entrepreneurship Orientation and innovation to gain the competitive advantage of batik entrepreneurs in Jember. The research used explanatory research and quantitative approach method. Path analysis was used to analyze the data of 10 batik entrepreneurs under the guidance of the department of industry and commerce in Jember as sample. The results of this study are the independent entrepreneurial orientation, (X1) has significant effect to innovation capacity (Z), intervening innovation capacity competitive advantage (Y) and entrepreneurial orientation (X1) has significant effect to competitive advantage (Y). It can be concluded that the entrepreneurial orientation plays an important role in developing innovative products and results, innovation and entrepreneurial orientation and competitive advantage.

Keywords: competitive advantage; entrepreneurial orientation; innovation capacity; Batik

JEL Classification: O31; O32

Introduction

In the 1990s, the emerging 'creative industry' as a policy discourse and instrument signaled the government's desire to harness cultural production of a new economic era (Banks and O'Connor 2009). The creative industry which includes audiovisual products, design, new media, performing arts, publishing and visual arts is not only one of the most rapidly growing sectors of the world economy. Around the world, the creative industry has become an increasingly important part of the global economy, serving as a bridge of culture, business, and technology. The creative industry has shown its prominence as it continues to expand during the recent global financial and economic crisis. With the growth of technology and income from developing countries, it seems that the creative economy will be the future of the global economy. The world sees challenges in the development of the creative economy, not to mention Indonesia with various untapped potential markets.

In Indonesia, creative industry defined as an industry which came after the use of individual creativity, skill, and talent to create welfare and job occupancy by creating and exploring individual creativity and innovation (Kementerian Perdagangan 2009). The creative industry is a group of industries that consist of different groups that linked to the process of the idea or intellectual property exploration to change something worthy that would create welfare and job vacancies ((Kementerian Perdagangan 2009). Based on Creative Industries Mapping Study Based Department of Commerce Republik Indonesia, creative industries are advertising, architecture, arts, crafts, design, fashion, video, film and photography, interactive games, music, art performing, publishing and printing, computer services and software, television and radio, research and the last is culinary (Kementerian Perdagangan 2009).

When the scope of creative industry is viewed, most of does not need a high production scale. It is not the same as manufacture industry that focus on product quantity, but the creative industry depends on human resource creativity. Creative industry mostly has arisen from the group of middle-up industries. Although the products not in a huge number available, the creative industry could deliver the significant positive contribution to our national economic situation.

Conclusion

Here are some general conclusions based on the researched fact of Batik small-medium enterprises in Jember district. The concept of creative economics is innovative and creativity, both of them could elevate local image and identity in order to establish culture, heritage and local value that proven by a fact that Batik entrepreneur in Jember district could elevate local value on Batik shades which has its specific character and reflecting Jember, such as tobacco, clove and Jember Fashion Carnival (JFC) which became the priority product of Jember district.

Upgrading and exploiting organization creativity are great resource for all and become the sustainable competitive advantages.

Jember Batik uniqueness with tobacco ornament is not common because it's not a traditional Batik pattern, not standard, creative and never been taught by the ancestors. Thus Batik entrepreneurs in Jember district is requested to keep Jember Batik uniqueness authentic and cannot be copied either perfectly or not.

At the time a company has a high level of Entrepreneur Orientation, it will support marketing performance to be created at a high level to gain competitive advantages. An extra approach and coaching are required for small-middle enterprises that geographically so hard to be reached by public transportation, since they are on the remote area, and human resource management approach is also needed to be done.

Since the potential local asset, Jember Batik, specifically Sumberjambe has still not known widely. Thus the local government is suggested to have the specific programme, especially in localizing Batik and prioritizing. Batik as special product of Jember District. Jember Fashion Carnival which is held annually is a potential event for Batik entrepreneurs in Jember district and local government may conduct a promotion programme in this event.

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