

Enhancing Competitiveness of Creative Industry Strategy with Resource-Based Marketing Mix

By Sri Harini

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Abstract—Creative industries contribute to the creation of skilled employment and improvement of the Indonesian economy. This study aims to determine the marketing mix strategy and its effect on the success of creative industry businesses. The object of research of creative industry practitioners in Bogor is 100 respondents with proportional random sampling. The research uses descriptive design verification form. The instrument was tested with validity, reliability and classic assumptions. Data were analyzed by multiple regression, correlation test, determination test, and significance tests simultaneously and partially. The results showed that the creative industries have done a good marketing mix strategy ranging from products, prices, distribution and promotion. The marketing mix has a significant effect on the success of creative industry businesses. Products, prices, distribution and promotion have a significant effect on the success of creative industry businesses. Considering that prices have a negative effect on business success, the role of the government in maintaining the stability of prices of creative industry products is very much needed. No research has yet been found mixed in the marketing mix strategy and the success of the creative industries. Further research with the type and number of industries that are more numerous and varied as well as the addition of other variables as factors that influence the success of businesses is needed to maintain the survival and contribution of the creative industries to the development of the Indonesian economy.

Keywords: business success, marketing mix strategy, based resources, creative industry

I. INTRODUCTION

Creative industries or creative economy is a set of economic activity associated with the creation and use of knowledge and information. Creative industries utilize the knowledge, skills and individual talents to create wealth and employment opportunities. Creative Economy is composed of sub-sectors of advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, research and development (R & D), software, toys and games, television and radio, and video games [1].

Creative industries increasingly important role in the economy of developed and developing countries including

Indonesia. Indonesia's creative industries in the future is expected to gradually replace the role of commodities and resources for economic growth. The contribution of creative industries to Gross Domestic Product (GDP) is increasing significantly every year. 2015 contribution to reach Rp 852 trillion or 7.38%, in 2017 to Rp 1.000 trillion in 2018 to Rp 1,105 trillion, and by 2019 is expected to reach Rp 1,211 trillion. Culinary subsector creative industries sector provided the biggest support to the national GDP, contributing 41.69%, then 18.15% subsector fashion and crafts subsector 15.7% [2].

In 2018 featured subsectors of creative industries is still held by the culinary industry, fashion, and crafts. The film industry, art and games into subsectors priority applications. At the 2019 Product of Indonesian creative global era is expected to become the flagship product in the national and international levels in line with Europe and the United States, Indonesian characteristics such as coffee shops, batik, and stalls culinary, spread across major cities worldwide Indonesia and the world. Subsector fashion or fashion belongs to the type of creative industries involved in the manufacture of a product apparel, manufacture of garment accessories, fashion consultation and distributes fashion products that have been created [3].

The involvement of the government and the parties interested in the development of creative industries is needed. Government policies are pro SMEs and the involvement of financial institutions, universities, NGOs, industry associations, and cooperatives affect the performance of SMEs [4]. The Government has played an important role in enhancing the development of the creative industry sub-sector craft in Pekanbaru [5].

Research to boost the performance of the creative industries is needed as a form of government involvement, businesses, mainly academics [6,7] in the welfare and economic development of Indonesia. This study aims to determine the marketing mix strategy and its influence on the success of the creative industries. It is expected that the results of research to find a model of IT-based development of creative industries in the industrial revolution 4.0.

II. LITERATURE REVIEW

The marketing strategy through a combination of marketing mix will determine the company's success in gaining market share. The marketing mix is a set of marketing tools are combined to obtain the desired response in the target market, [8]. A set of decisions about the marketing mix of product, price, distribution channels, customer relationship management is the implementation of the marketing strategy [9]. Marketing mix are elements interrelated marketing consists of product, price, distribution, and promotion that affect the achievement of objectives.

Product is a manifestation of the benefits offered by companies to consumers. Price is a value to be paid to obtain and use the goods or services, including the costs, risks and prestige or social prestige [10]. Promotion is the company's efforts to provide resources in order to direct potential consumers in the form of people and organizations to direct on purchase [11]. Distribusi channel designed to facilitate the delivery of product in the form of goods or services to a target market [12]. A company is said to be successful if it is able to run the business and bearing all the costs, and guaranteed business continuity. Indicators are often used to measure the success of the business are: break even, survival, achievement gains. Characteristics of the owner, manager and businesses including marketing strategies affect the success of SMEs [13].

Some studies have shown that the cause of the company's failure to achieve competitive advantage is the inability to formulate market strategies [14]. Marketing-relevant consumer research can influence relevant stakeholders including academics, and other marketplace actors [15]. Product market and technology relatedness have differential effects on innovation performance [16]. Based on research that has been done, then research on consumers about the marketing mix of the creative industries needs to be done as a guide for owners and managers to determine competitive marketing strategies in the 4.0 era.

III. METHODS

Research used metode with design verification study and a descriptive approach, according to present an overview of research objectives in a structured, factual, and accurate information on the facts and influence between the variables studied. Participants were creative industry owner in Bogor and Sukabumi Indonesia which consists of the batik, embroidery, bags and shoes industries. Sampling use probability sampling [17], sampling technique Slovin formula [18] with a percentage of 10% leeway, then obtained a total sample of 100 samples.

Data were obtained through a questionnaire with Likert scale of 1-5, and is equipped with the interviews, and literature. Test the validity, reliability, and classical assumption (e.i. normality, multicollinearity, heteroscedasticity) of the instrument be done before further data analysis [19]. Data were analyzed using multiple regression analysis, correlation, coefficient of determination, and a significance test of regression coefficients simultaneously (Test-F) and partially (t test) [20], with SPSS software version 22.0.

Results of questionnaires to 100 respondents sampled provide a general description of the characteristics of the creative industry entrepreneurs as follows:

TABLE I. SUMMARY CHARACTERISTICS OF ENTREPRENEURS

No.	Description		Amount (%)
1	Type of business	Batik industry	7
		Garments industry	35
		Bag industry	26
		Shoe industry	32
2	Business experience	<10 Years	17
		10-20 Years	40
		> 30 Years	43
3	Gender	Male	59
		Female	41
4	Education	Elementary school	1
		Junior High School	15
		High School	76
		Diploma	8
5	Revenue / year (IDR)	<36 million	13
		36-60 million	71
		60-120 million	14
		> 120 million	2

Based on Table 1 recap characteristics of entrepreneurs, mostly as entrepreneurs garment fields / embroidery, with long efforts of more than 30 years, male gender, high school education, with rates of 36-60 million per year.

IV. RESULTS AND DISCUSSION

Marketing mix and business success creative industry showed in Table 2.

TABLE II. SUMMARY OF MARKETING MIX AND BUSINESS SUCCESS CREATIVE INDUSTRIES

Variables	Indicator	Average	Criteria
Product	product appearance	4.09	Good
	product quality	4.18	Good
	product selection	4.15	Good
	packaging products	4.11	Good
Price	price fixing	3.91	Good
	prices match the quality	3.99	Good
	policies price / discount	3.80	Good
Distribution	locations	3.94	Good
	reach	3.91	Good
	easiness	4.05	Good
Promotion	Advertisement	3.70	Good
	sales promotion	3.61	Good
	publicity	3.93	Good
Business success	break-even point	4.14	Good
	life sustainability	3.68	Good
	achievement gains	3.97	Good

Sources: Primary data is processed, 2018.

In general the products of creative industries have good things to see, quality, selection and packaging. Product appearance with colors, patterns, or motifs provide options for consumers to make a purchase decision. Appearance should be improved by increasing the motive of goods based resources and changes in consumer tastes, given the creative industry products are part of fashion that should follow market trends.

The product price is affordable. Pricing is done on the basis of production costs, the price level of each product tailored to the quality of goods, and the company gave a discount for buying in bulk or a specific event. Looking ahead, given the policy of giving discounts to repeat customers by providing customer card.

Distribution of products through an accessible location. Creative industry products in addition to taking orders, marketed widely in shops, modern and traditional markets. Media campaigns on line should be used in order to reach consumers wherever they may be.

Advertising creative industry products is still done simply by using brochures, leaflet or card. Sales promotion is still limited to following the activities carried exhibit was facilitated by the government through the relevant agencies. The activities related to the commemoration religious holidays, Independence Day is done to establish good relationships with customers around the location of the business community in particular.

Marketing activities undertaken by the creative industries are already well on products, pricing, distribution, and promotion. This is thought to be a factor supporting the success of the creative industries. In general, the creative industry can be said to be successful, has passed the breakeven point, profit enterprises, and survival. Results of operations to provide benefits, although not on target. Business continuity creative industries should be improved with the support of the government and other parties concerned.

V. REGRESSION EQUATIONS ESTIMATION RESULTS

The results of this study were calculated using regression analysis using SPSS version 22.0, while the results are (see Table 3):

TABLE III. SUMMARY OF RESULTS OF MULTIPLE LINEAR REGRESSION ANALYSIS CALCULATION

Model	Coefficients unstandardized		T	Sig.
	B	Stand. Error		
Constant	27 938	16 574	1,686	0095
Product	0280	0419	3447	0001
Price	-0174	0482	-2128	0036
Place	0260	1,034	3,293	0001
Promotion	0424	0484	5465	0000

From the data obtained regression models estimated as follows:

$$Y = 27\,938 + 0.280X_1 - 0.174X_2 + 0.260X_3 + 0.424X_4 + \epsilon \quad (1)$$

The multiple regression equation is described as follows:

- Product (X₁) with a positive coefficient value of 0.280 means that if the higher value products such as appearance, product quality, selection, and packaging, the success of the creative industries will increase.
- Price (X₂) was negative coefficient value of 0.174 means that the higher the price such as pricing, quality

and appropriateness of the discount policy can reduce the success of the creative industries.

- Place (X₃) was positive coefficient 0.260 means that the higher the value of distribution such as the location, range, ease the success of the creative industries is increasing.
- Promotion (X₄) was positive coefficient 0.424 means that if the higher the value of promotion such as advertising, sales promotion, and publicity of the success of the creative industries will increase.

Based on the value of R obtained for 0.795 means that the relationship between product, price, distribution and promotion of a strong creative industry business success. As for the value of R Square of 0.632, which means a variation of business success creative industries 63.2% explained by the elements of the marketing mix, and 36.8% are influenced by variables outside the research such as working capital, skills, location [21]; the characteristics of entrepreneurs, innovation, HRM and HR capability [22]; market orientation, product innovation, and entrepreneurial marketing strategy [23]; and integration in the field of IT [24].

Test simultaneously the value of F larger than F table (20 722 > 2.37) and has a significance value of 0.000 < 0.5, then H₀ is not accepted and H_a is received, which means marketing mix (product, price, distribution, and promotion) has a positive and significant impact on the success of creative industry business. This is in line with research [25]; [26]; 4P of the marketing mix (product, price, place, promotion) effect on the performance and development of the business.

From the results obtained in the variable data processing product (X₁) at α = 0:05 nk-1 degrees of freedom equal to (100-5-1) = 94 obtained the value t is greater than t table (3,447 > 1,986), then H₀ is rejected and H_a accepted means creative industry products have a positive and significant impact on the success of the creative industries. Some studies have found that the differentiation of products and product innovations influence the success of the venture [27,28].

At a price variable (X₂) Obtained tcount smaller than ttable (-2128 < -19.9), then H₀ is rejected and H_a accepted, meaning the price of a negative and significant effect on the success of the creative industries. Aditi [29] and Bachtiar [30], states that herga influence on purchasing decisions and consumer buying interest re through satisfaction and therefore contributes to the survival of SMEs.

In the variable distribution (X₃) Obtained t is greater than t table (3,293 > 1,986), then H₀ is rejected and H_a accepted means of distribution positive and significant impact on the success of the creative industries. This study confirmed the results of the study [31], found that the distribution channel influence on business success. Increasing the reach of marketing to consumers can be done with the use of distribution channels using the network (online).

On promotion variable (X₄) T greater t table (5,465 > 1,986), then H₀ is rejected and H_a accepted means promotion

of positive and significant impact on the success of the creative industries. This is supported by research Astuti [32] and Pramayoga [33]. According the times and the knowledge that marketing and promotion strategy emphasizes the creative industries of IT-based marketing strategy (e-marketing). To enhancing innovative behavior in Rea 4.0, goals orientation and work climate these relationship [34].

VI. CONCLUSIONS

The marketing mix consisting of product, price, distribution and promotion of creative industries has been good. Quality products; price according to quality; relatively easy to obtain products; and the promotion of publicity has been done with good.

Marketing mix (product, price, distribution and promotion) significantly influence the success of the creative industries. Appearance, quality, selection and packaging of the products affect the success of the creative industries. Pricing, compliance with quality price and rebate policies affect the success of the creative industries. The location, range, and ease of influence on the success of the creative industries. Promotions, media advertising, sales promotion activities through exhibitions and social activities affect the success of the business enterprise of creative industry.

Increasing the success of the creative industries, carried out with a variety of products, policies discounted membership system, expand the range of target markets, and undertake more vigorous sales promotion activities expo creative products at the national, international and utilization of e-marketing.

However, further research is done by adding the subject and expand the area of research, using different analytical too 2 and add the variables that affect the success of the business in the era of the Industrial Revolution 4.0 as characteristic of HR, market orientation and product innovation.

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