

CHAPTER I

INTRODUCTION

A. Research Background

The era of economic globalization today was shifted from agricultural era to the industrialization era which was followed by information era and supported by a number of new discoveries in the technology field. Besides, with the advent of modern technology that supports work productivity and effectiveness in the economic sector, in particular, these triggers make the competition becomes tougher. Not only in the areas of production that required to produce with lower cost and efficiency, but also the implications for the human resources needed in this industry should have the competency and creativity supported by special skill in a related field. Human resources that creative, innovative and dynamic are mostly needed because the development and market trends in today globalization era is very fast. The beginning of creative industry era was started in 1990s. In this era, the information, technology, and creativity are very advanced and served as the main propulsion. The propulsion tools that used in this creative economy sector itself is the creative industry (Studi Industri Kreatif Indonesia, 2008).

Indonesia's creative industries started to get serious attention by the government during the tenure of President Susilo Bambang Yudhoyono. In the era of the leadership of President Susilo Bambang Yudhoyono, INACRAFT was held as evidence of Indonesian government's seriousness in developing

creative industry in Indonesia. In his speech at the event INACRAFT in 2005, Susilo Bambang Yudhoyono expressed about the development of creative industries in Indonesia, which was followed by the establishment of the Indonesian Design Power to assist in the development of creative industries in Indonesia under the auspices of the Ministry of Trade.

In the following years, government support for the creative industries is shown by the convening of the cultural exhibition Indonesian Cultural Week (PBBI) in 2007. In 2009, former Minister of Trade, Maria Elka Pangestu drafting a blueprint of creative industries in Indonesia from 2009 to the year 2025. In 2009 also, the former President of Indonesia, Susilo Bambang Yudhoyono issued Presidential Instruction No. 6 of 2009 concerning the development of creative industries. Later, the Ministry of Tourism and Creative Economy was formed after the Presidential Decree of President No. 92, 201. Further in the era of Joko Widodo presidency established new non-ministerial agencies that are directly responsible to the president, the Agency Creative Economy Indonesia (BEKRAF) by the President of the Republic of Indonesia Regulation No. 6 of 2015 on the Creative Economy Agency. President Joko Widodo optimistic that the creative economy sector through creative industries as a driving power, capable of being the backbone of the economy of the country.

The creative economy through creative industries have the potential to be developed as one of the sectors that can support the national economy in 2013, the contribution of the creative economy to national GDP at 7.05% (Rp

641.81 billion), or ranked 7 out of 10 sectors contributor to the national GDP. There are five creative industries sector that contributed the largest GDP, namely: (1) Culinary (32.51%); (2) Fashion (28.29%); (3) Crafts (14.44%); (4) Publishing and printing (8.11%); and the last is Design (3.90%). The 5.4 million creative effort that has absorbed 11.8 million workers. In addition, the creative economy has also proven able to contribute to foreign exchange through exports of total US\$ 3.2 billion (Deputi Bidang Koordinasi Ekonomi Kreatif, Kewirausahaan, Dan Daya Saing Koperasi Dan Usaha Kecil Menengah, 2016).

Regarding the competitiveness of Indonesian creative economy according to the Ministry of Tourism and Creative Economy in 2014 stated that based on GCI (Global Creativity Index) or the Global Creativity Index in 2015, Indonesia was ranked 115. The results of the GCI calculation using three factors:

1. Index of Technology: the proportion of expenditure on research and development of the total GDP, the proportion research per capita, and innovation of a country which is calculated using the number of patents issued in the period of assessment.
2. Talents Index: net enrollment in the higher education and the creative class variable, that is, people who work in jobs that are considered to have high-level problem-solving.
3. Tolerance: the acceptance of minorities. (Hamdan, 2016).

Table 1.1
Global Creativity Index Year 2015

Rank	Country	Technology	Talent	Tolerance	Global Creativity Index
1	Australia	7	1	4	0.970
2	US	4	3	11	0.950
3	Malaysia	24	69	101	0.455
9	Singapore	7	5	23	0.896
52	Phillipines	54	65	53	0.487
80	Vietnam	45	104	73	0.377
82	Thailand	38	84	105	0.365
115	Indonesia	67	108	115	0.303
139	Iraq	110	-	130	0.032

Source: Deputi Bidang Koordinasi Ekonomi Kreatif, Kewirausahaan dan Daya Saing Koperasi dan Usaha Kecil Menengah, 2016.

According to Presidential Decree No. 72 of 2015 there are 16 sub-sectors within the scope of the creative industries, namely: architecture; interior design; visual communication design; product design; fashion; films, animation and video; photography; crafts; culinary; music; application and game developers; publishing, advertising, performing arts, visual arts, as well as television and radio (Deputi Bidang Koordinasi Ekonomi Kreatif, Kewirausahaan, Dan Daya Saing Koperasi Dan Usaha Kecil Dan Menengah, 2016).

There were 7 sub-sectors from this industry that give the largest contribution to the National GDP, namely: fashion; craft; advertising; television and radio; architecture; music; publishing (Simatupang).

In line with the government, the sub-sector of the fashion ranks first in giving the largest contribution to GDP of Indonesia. There are subsectors of

craft in the second rank, then followed by sub-sectors of advertising, design, architecture, publishing, and music (Studi Industri Kreatif Indonesia, 2008).

Table 1.2

GDP Contribution of Creative Industry's Sub-Sectors in 2006

Sub Sectors	Percentage	Rank
Fashion	43,71%	1
Craft	25,51%	2
Advertising	7,93%	3
Design	5,88%	4
Publishing & Printing	4,09%	5
Architecture	3,95%	6
Music	3,65%	7
TV & Radio	2,04%	8
Computer & Software Service	0,99%	9
Research & Developer	0,93%	10
Art & Antique Goods Market	0,65%	11
Interactive Games	0,32%	12
Movie, Video, Photography	0,24%	13
Performance Art	0,12%	14

Source: Departemen Perdagangan Republik Indonesia, 2008.

In 2011, after culinary entered the creative industry sub-sector, culinary sub-sector contributed 32.2% of the total GDP of the creative industries. Then followed by sub-sector of fashion with a contribution of 28.1% of GDP creative industries. While the crafts sub-sector ranks third after culinary and fashion sub-sector that is equal to 15.1% from total GDP contribution of the creative industries (Studi Industri Kreatif Indonesia, 2008).

Creative economy in developing countries was often associated with other development priorities, such as poverty eradication, cultural history and basic infrastructure, sustainable development, gender equality, social inclusion and global cooperation. To produce an impact of economic growth, the creative industries are also often associated with tourism, where the product from

creative commodities become an attraction in a tourism destination (Cunningham; UNCTAD, 2010).

In line with it, tourism is widely recognized as an important driving power in the development of the national economy (Brida and Risso, 2009; Tang and Tan, 2013). This was because in tourism, activity or types of tours are offered not only travel the roads, nature and historical attractions, but the tourism sector also offers another type of activity, which is shopping. Where in the shopping itself, a commodity from creative products to attract tourists, the majority comes from fashion, culinary and craft sub-sector which is often preferred by the tourists who are used as a gift or souvenir. Besides, culinary-became an activity that done by the tourists when they come, usually the traditional cuisine or typical culinary of the region chosen by the tourists to try, which is the culinary itself is the one of sub-sector in the creative industry.

In Indonesia, Special Region of Yogyakarta (DIY) was known as a tourism city. The geographical condition, historical stories, and cultural potentials that owned by DIY was given big opportunities to expand in economy sector. The creative industry is one of the sectors which use the potentials that owned by DIY. The response of creative industry also quite good, moreover if linked with the tourism sector. Even there are many opportunities that can be taken from potentials that owned by DIY especially to support the development of creative industry in this province, but there are also challenges that must be faced. To solve the problems or challenges exist, firstly we have to know about the index competitiveness position of each

sector, then we can prepare appropriate strategies to make improvements in this industry and make this industry more developed.

The development of globalization was given an impact on the competition among industries which more competitive. Thus, in order for the industrial sector to can stay compete in the middle of the condition which more competitive, it requires a high competitiveness ability. Competition was not only with the domestic industry, but also comes from abroad. Facing the fierce competition, the businessmen were required to make products that fit the market needs and have good quality with competitive prices. Therefore, the development of industry requires not only the need attention from the entrepreneur, but need support from another party such as government and other related industries (Wiyadi, 2005).

Industrial competitiveness was the ability of an industry to gain a competitive advantage based on factor conditions; demand conditions; firm strategy, structure and rivalry; and also related and supporting industries. To know the industries that are able to compete in an increasingly competitive market, it is necessary to analyze the competitiveness. The analysis of the creative industry competitiveness in this research is based on the Porter diamond model.

This thesis focus on the analysis of creative industry in DIY which has a relationship with the tourism sector, namely sub-sector of fashion, culinary and craft based on the Porter diamond model. From these things would definitely be found the obstacles or shortage in supporting the development

and competitiveness of creative industries in DIY, furthermore it need strategies to stimulate and encourage the development of creative industry on sub-sectors of fashion, culinary and craft.

B. Research Limitation

In order to conduct the research that is consistent with the linked objects, the writer sets boundaries issues, namely:

1. The writer only focus on the creative industries in sectors linked to the tourism sector, such as fashion, culinary and craft.
2. Samples were taken from some of the creative industry on sub-sectors of fashion, culinary and craft in DIY.

C. Research Question

In this study, the writer wrote some research question, such as:

1. How does the competitiveness of creative industry on subsectors of fashion, culinary and craft in DIY?
2. What are the obstacles to the development of creative industries in DIY and what the development strategies in creative industry on sub-sectors of fashion, culinary, and craft in DIY?

D. Research Purpose

The writing of this research aims to:

1. Knowing about the competitiveness of creative industry on sub-sectors of fashion, culinary and craft in DIY.

2. Figure out the obstacles in this industry and can give strategies recommendation for the development of creative industry on sub-sectors of fashion, culinary, and craft in DIY.

E. Research Benefits

1. Knowing the creative industry competitiveness subsectors of fashion, culinary and craft in DIY.
2. Optimizing the development of creative industry sub-sector of fashion, culinary and craft in DIY that relates with tourism industry sector.

CHAPTER II

LITERATURE REVIEW

A. Theoretical Background

1. Creative Industry.

a. Creative Industry in Brief.

"Creative Industries as those which have their origin in individual creativity, skill & talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property and content" (Kementerian Perdagangan Republik Indonesia, 2007). Creative industries are defined as industries derived from the utilization of creativity, skill, and talent of individuals to create wealth and generate jobs and empowering by the creative ability and inventiveness of the individual (DCMS, 1998).

Creative economy is a concept that appears related to the interface between creativity, culture, economy and technology in the contemporary world dominated by images, sounds, text, and symbols. Today, the creative industry is one of the most dynamic sectors of the world economy provides new opportunities for developing countries to exceed to the high-growth emerging from the world economy (UNCTAD).

Creative industries become an increasingly important component of the knowledge-based economy of the post-modern industry. Not only are

they thought to explain the higher than average growth and job creation, they are also a vehicle from cultural identity plays an important role in encouraging cultural diversity. Some developed countries have seen the potential of the creative industry is able to support economic growth. UK Government through the Department of Culture Media and Sport (DCMS) play a breakthrough role in developing analytical models of creative industries by mapping and dividing the industry into the sector in several fields, such as: advertising; architecture; art and antique market; crafts; design; fashion design; film and video; interactive leisure software; music; performing arts; publishing; computer and software services; television and radio (United Nations Educational Scientific and Cultural Organization).

A significant economic contribution that owned by creative industry towards economy can create a positive business climate, strengthen the image and identity of a country, support the utilization of renewable resources and give social impact. According to these reasons, the creative industry becomes a sector that should be developed in the national building concept.

b. Creative Industry Competitiveness.

Competitiveness is seen as a comprehensive concept. It can be accessed from the effect to the results achieved. The three dimensions included in the concept of competitiveness potential dimensions, process

dimensions, and dimension of performance. The dimension consists potential factors necessary to expand the business, ranging from characteristics of the owner and the characteristics of companies that are affected by the ability of internal and external environment. The second dimension is named dimensional process, which comprises an effective operating strategy and deploys an effective growth strategy and so is its implementation. The third dimension is the dimension of performance which is divided into financial performance and non-financial performance (Utami & Lantu, 2013).

The heart of the company's competitive advantage is in the face of competitiveness. Competitive advantage can be derived from a variety of different activities of the company in making the design, manufacture, and market, distribute and support its products. Each of these activities can support a company's relative cost position and create a basis for differentiation (Azis et al, 2014).

The competitiveness of a country highly depend on the capacity of citizen supported by technology and its human resources, especially for those in industries such as entrepreneurs or businessmen. Technology and human resources are needed to create breakthroughs and new innovations. Thus, the core from the paradigm Porter are the companies that exist in a country has a role in determining a country's competitive advantage (Porter, 1990).

The analysis of why some nations or industries are more competitive than other was introduced by Michael Porter in his book about “*The Competitive Advantage of Nations*”. The explanation of competitive advantage by (Porter M. E., 1990) points out that there are interactions between the factor conditions, demand conditions, related with supporting industry, and strategy-structure-rivalry which very critical. Porter's model is known as Porters Diamond.

Comparative advantage (the given assets such as natural resources, culture, etc.) could no longer help to win the global competition. It is the human asset that will determine competitiveness. The competitive advantage such as human skills, training, good governance, and empowerment need to be organized so that SME's are not only survived but are also strong enough to deal with local and international competition (Porter, 1990).

As already mentioned in the explanation above, the competitive advantages such as human skills, training, good governance, and empowerment are needed to be organized, especially for SME's and SME's is one of business actors in the creative industry.

Total number of the entrepreneur in Indonesia which is engaged is very large, and mostly dominated by SME's. In 2013 total number of SME's in this industry reached 5.4 million (Kementrian Pariwisata dan Ekonomi Kreatif RI, 2014).

Porter creates a model which called as Porter's Diamond model that contains four determinants which are used as the competition rules in a sector to play based on the opinion of achieving a long-term competitiveness. Those factors are:

1. Factor conditions

The nation's position in factors of production, such as skilled labor or infrastructure, necessary to compete in a given industry.

2. Demand conditions

The nature of home-market demand for the industry's product or service.

3. Related and supporting industries

The presence or absence in the nation of supplier industries and other related industries that are internationally competitive.

4. Firm strategy, structure, and rivalry

The conditions in the nation governing how companies are created, organized, and managed, as well as the nature of the domestic rivalry (Sun, H. et al, 2010).

An industry will be successful and competitive if they have a vision or a clear view, dynamic and in accordance with the conditions of factors, demand conditions, corporate strategy and structure of the competition, as well as supporting industries and related industries. (Porter, 1990). In

Porter Diamond's model also stated that an industry in a certain region become superior is not come from conformity by themselves but it is the success of a group which has relation to companies and institutions that support them (Suhartini & Yuliawati).

The innovative activities are also important to support the competitiveness future development, it can help in improving the efficiency of the economy as well as its ability to act. The existence of innovation functional system, policies, and tools which create conditions to foster innovation are required in the development of innovation (Soltes & Gavurova, 2014). The innovation used by companies to achieve competitive advantage. When an innovation can make accompany achieves competitive advantage, it can sustain it only through continuous improvement (Porter, 1990).

Research on the competitiveness of the industry using Porter model approach has been done by many previous researchers. The study also used the model of diamond Porter by making adjustments to the various elements of competitiveness according to the type of industry that would be analyzed (Wiyadi, 2009).

The writer make some adjustments in measurement of the competitiveness of creative industries in the sub-sectors of fashion, culinary and craft refer to Porter diamond models:

The writer make some adjustments in the elements of diamond Porter model's dimension:

1. Use the elements of raw material resources, the availability of local raw materials, educational background, skilled labors, capital resources and financing institutions on the dimension of factor condition.
2. Use the element of competition, barrier to entry, price, and level of output on the dimension of demand condition.
3. Use the element of innovation, marketing partnership, advertising utilization and social media utilization on the dimension of corporate strategy and structure of the competition.
4. Use the elements of the type of technology, the productivity of technology owned, adjustment with the era development, and the role of community/ institution/ agencies in the creative industry.

The main considerations the writer adjusted some of the elements of dimensions of diamond model of Porter competitiveness are:

1. The company will be more competitive when using local raw materials (Wiyadi, 2009).
2. Special skills in creative industry is also important, because it will make the performance in the industry is more efficient and effective, and also give more value added. Based on (Porter, 1990) the most

important factors of production is skilled human resources or scientific based.

3. Capital resources is also the most important thing in starting a business. According to (Kementerian Pariwisata dan Ekonomi Kreatif RI, 2014) in the development of business financing issues, if a business requires additional capital, the business interacts with external parties such as by bank or new investors. Therefore, financial institutions is required to support the development of creative industries. With the availability of financial institution such a bank that supported by the easiness of financing access, can support the development of creative industries.
4. The first fundamental determinant of a firm's profitability is industry attractiveness. Competitive strategy must grow out of a sophisticated understanding of the rules of competition that determine an industry's attractiveness. In any industry, whether it is domestic or international or produces a product or a service, the rules of competition are embodied in 5 forces: entry of a new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among the existing competitors (Porter, 1990). Cost of production has a role in price determination, and level of output has a role to the ability of the industries in fulfill the demand. Whereas, the competition, barrier to

entry, cost of production, and level of output has relation to demand condition.

5. Besides the actors in the creative industry should be more innovative and creative, they also should have to more observant and sensitive in view of market trends as well as need to set up a strategy to compete with another competitors and prepare a strategy to stay afloat in this industry, considering the competition in this industry is quite tight and the increasing number of new competitors that keep popping up. Some strategies that used are marketing cooperation, strategy of marketing by using discounts, advertising utilization and social media utilization on the dimension of corporate strategy and structure of the competition.
6. The element the type of technology, the productivity of technology owned, adjustment of the era development, and the role of community/ institution/ agencies in the creative industry in supporting industries and related industries. Because each company uses different technology. Like in the culinary sub-sector for example, there are some entrepreneurs in the culinary field that still retain the use of traditional technologies, such as traditional stoves. Traditional stoves are still used even today's hyper-modern era, because cooking using traditional stoves give distinctive taste. In addition, some employers in the field of handicrafts are also still

using traditional equipment or technology, because the result will be more detail.

7. While the communities/ agencies/ institution in creative industry have a role in assisting the development of creative industries.

c. Creative Industry in Indonesia.

In the era of President Joko Widodo, the government has launched a national priority agenda 9 or called by NAWA CITA is written in the National Medium Term Development Plan 2015 - 2019 in which there related to the development in economy, namely:

1. Building Indonesia from the periphery by the strengthen regions and villages within the framework of the Unitary State.
2. Increasing the productivity of the people and the power lunch in the international market.
3. Realizing economic independence by moving the strategic sectors of the domestic economy.

Based on the description from RPJM related to economic development, the creative economy has contributed enough to assist in the realization of the three national priorities agenda (Deputi Bidang Koordinasi Ekonomi Kreatif, Kewirausahaan, Dan Daya Saing Koperasi Dan Usaha Kecil Dan Menengah, 2016).

Related to the development of the creative economy in Indonesia where the creative industries are the driving force of the development, Indonesia has some opportunities that support the development of creative industries, such as:

1. Demographic Bonus up to 2035

By the year 2030, the number of productive age population is estimated at 40% and 27% which is a resident by the young age with the age range of 16-30 years. And young age populations are potential to become the Creative Class.

2. Development of Digital Lifestyle

At present, the days growing one in the field of technology. Technology development in the field of information and communication, in particular, has reached almost more from 90% of the population of Indonesia.

3. Increasing Number of Middle Class

It is estimated by 2030, 135 million people in Indonesia had a net income of over US \$ 3600 as the consumer of the creative economy.

4. Increased Product Demand Creative

The increasing demand for creative products in the global market mainly media and ICT-based products (content industry).

5. The potential of Nature and Culture

Culture and history are owned by Indonesia and its natural beauty has great potential in the development of creative industries and it is a raw material in this industry (Hamdan, 2016).

The division of sub-sectors in the creative industries changed from time to time. Sub-sectors of the creative industries are divided into 14 sub-sectors, but based on Perpres No. 72 Tahun 2015 the scope of the creative industries are currently divided into 16 sub-sectors, namely: architecture; interior design; visual communication design; product design; fashion; movies, animation and video; photography; craft; culinary; music; the application and game developers; publishing; advertising; performing arts; fine art; television and radio (Deputi Bidang Koordinasi Ekonomi Kreatif, Kewirausahaan, Dan Daya Saing Koperasi Dan Usaha Kecil Dan Menengah, 2016).

d. Indonesia Creative Industry Competitiveness and Development.

There are three main subjects who support the development of the creative economy, namely:

1. Intellectuals

The role of intellectuals here not only seek satisfaction in material form, but the scholars here have a role in applying knowledge and pass it to the crowd. In the context of the creative industries are such humanist scholars, artists, scholars, figures in the arts, the writer,

poets, and much more related to the development of creative industries.

2. Business

The role of business is certainly needed in the development of the creative economy, especially in the creative industries, because the business itself is the propulsion in this industry. These forms were diverse businesses, such as partnerships, corporations, sole proprietors, and cooperatives. Not only the production and distribution activities, but also in business and employment opportunities. Financing issues, if a business requires additional capital, the business interacts with external parties such as by bank or new investors.

3. Government

As an organization that has the power or authority to manage a country, in the context of the development of creative industries both central and local governments are expected to synergize well and supporting actors who are in creative industries such as businesses in the creative industries and intellectuals.

Give additional for the fourth subject in this industry, namely, community. The community not only support the development of creative industry, but many creative subjects which came from society communities and the society which doesn't has an academic background. So, the community has roles as a place for society or creative people in

sharing knowledge, developing and exploring skills, and connecting each member (Kementrian Pariwisata dan Ekonomi Kreatif RI, 2014).

In supporting the development of creative industry, Indonesia government does an acceleration in creative economy development to make the creative economy as a driver to create Indonesia that more competitive. To realize it, one of mission that undertaken by Indonesia government is:

Developing the creative industries which compete, grow, varied and qualified to achieve the main objectives, namely the realization of the creative industries that compete, grow, varied, and quality through the achievement of three strategic:

- a. The increasing of creative entrepreneurs which competitive and dynamic;
- b. The increasing of local creative businesses which competitive and dynamic;
- c. The increasing of local business which varied and qualified
(Kementrian Pariwisata dan Ekonomi Kreatif RI, 2014).

e. Creative Industry Competitiveness and Development in DIY.

Currently, traveling has become a lifestyle and needs that should be met. Through traveling, a lot of benefits can be taken. Besides being able to add insight about the history, the culture of the areas visited for the visitors, the tourism sector has also benefited the economy of a region that

is used as destination or tourist destinations. Travelers who come to visit the region both local and foreign tourists would definitely need to have some services and facilities to meet their needs. It can provide a good opportunity, especially for sectors of the economy, not only for the local government but also the residents and businesses. Benefits that can be gained, such as:

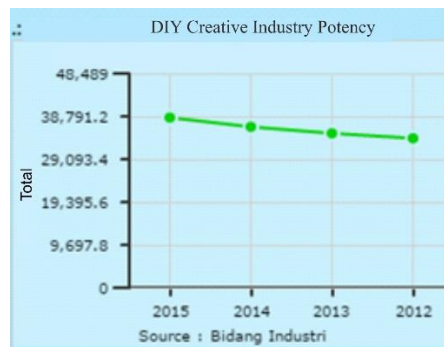
1. Exchange revenue
2. Opportunities or business opportunities
3. Boost employment
4. Increase local revenue and public
5. Encourage the development of the economic region.

In the economic sector, one of the industry that respond and take advantage of the opportunities and potential of tourism is creative industries.

Creative industries in DIY are growing among other crafts sector with a total of 20.293 business units, the fashion sector with a total of 4.258 business units, the sector of interactive games as many as 200 units of business, the arts sector and show as many as 25 production house, which consists of 431 groups of dance, and 411 groups of arts drama. Tourist village also helped to contribute to the development of creative industries. In DIY, approximately 60 villages that are scattered in four

districts, which are dominated by the craft sector in it (Pemerintah Daerah Daerah Istimewa Yogyakarta, 2015).

Seen from the development of the creative industries sector which gives positive contributions to the Gross Domestic Product (GDP) also have a positive impact on the business climate. Prospects of creative industries are also growing in the province of Yogyakarta (DIY) because it is supported by the conducive environment for the development of this industry. It is possible because the position of DIY as a city of art and culture which also supported as a city of students which are able to produce the creative potential number of workers. The local government also participated in supporting the development of the creative industries in this town, this is evidenced by policies and programs that created by local governments. The development of the creative industries in DIY showed a positive trend is evident from the growing of creative industries from year to year, from 33.882 business units (in 2012), increased to 34.977 business units (in 2013) and in 2014 increased to 34.456 business units (Nuvriasari, Wicaksono, & Sumiarsih, 2015).



Source : <http://disperindag.jogjaprovo.go.id/home>

Figure 2.2

DIY Creative Industry Potency

Based on the potential data of the creative industry in DIY presented by Disperindag DIY, it can be concluded that the potential of the creative industry in DIY has increased from year to year. With the increasing number of the potential creative industry from year to year means that more areas that can be cultivated and utilized by the people from this industry. Now the task for governments and communities to be more sensitive and intensively in developing the potentials that existed, so that the creative industry in DIY further can be developed properly. Because if this creative industry able to develop well, it can help boost the economic growth in DIY.

In 2013 the GDP of the creative industry, majority contributed by culinary, fashion and craft sub-sectors. Where culinary contributed 32.1%, fashion contributed 28.3%, and craft contributed 14.4% (Kementerian Pariwisata dan Ekonomi Kreatif RI, 2014) . On the national scale, the creative industry in DIY for fashion and craft sub-sectors

includes as the sub-sectors of creative industry which quite competitive for small, middle, and large industry scale. The culinary sub-sector doesn't examine in that research because of the limited of data availability (Departemen Pengembangan UMKM, 2015).

Meanwhile, according to Eko Witoyo as a head of domestic trade division of industry, trade, cooperatives, and SMEs department said that culinary sub-sector is the most enthused industry by societies as a business opportunity because of the investment that required is not too big. Until 2015, 50% of 83000 units of small and medium enterprises in DIY is dominated by culinary sub-sector (Newswire, 2015).

Table 2.1

The Analysis of Creative Industry Competitiveness (Medium & Large Scale) for Fashion and Craft Sub-Sectors in DIY

Sub-Sectors	LQ	DLQ
Fashion	3.40	2.33
Craft	1.75	1.19

Source: BPS & World Bank

Table 2.2

The Analysis of Creative Industry Competitiveness (Small & Micro Scale) for Fashion and Craft Sub-Sectors in DIY

Sub-Sectors	LQ	DLQ
Fashion	1.39	1.01
Craft	1.45	1.03

Source: BPS & World Bank

Based on the data of the research above, by sectoral, an industry stated that competitive if the value of LQ (Location Quotient) and DLQ (Dynamic Location Quotient) are more than 1. If seen from the data,

creative industry (small, micro, medium, and large industries scale) for fashion and craft sub-sectors in DIY are quite competitive. It's shown from the LQ and DLQ value of fashion and craft sub-sectors in small, micro, medium and large industries scale which has value more than 1.

2. Fashion, Culinary, and Craft Sub-Sectors Definition

a. Fashion Sub-Sector.

Fashion is an activities that related with fashion design creations, footwear designs, and another fashion accessories designs, consultation of fashion products line, and also fashion products distribution (Studi Industri Kreatif Indonesia, 2008). “Fashion is not something that exist in dresses only, fashion is in the sky, in the street, and fashion has to do with ideas, the way we live, what is happening”. (Coco Chanel, 1883-1971) in (Kementerian Pariwisata dan Ekonomi Kreatif RI, 2014).

In general, the activities and the parties involved in the fashion industry sub-sectors, namely the activity of creation, production, commercialization, and distribution. There are four business models in the fashion industry:

1. mass production;
2. distribution;
3. ready to wear deluxe;
4. design and fashion.

The fourth business models are differentiated by the degree of exclusivity of each and the types of customers it serves. Manufacturers in the fashion industry itself are made up of the fashion industry manufacturers of apparel and accessories, the fashion industry manufacturer of bags, shoes, and accessories. The business model haute couture, deluxe, ready to wear deluxe, mass production and distribution enter into this type. That distinguish among the four business models are consumer products and level of exclusivity. Haute couture and deluxe have a very high level of exclusive, besides the price is very expensive. Consumers in this business model are the upper classes. While the business model ready to wear deluxe although it is fairly exclusive, but still find below the level of haute couture and deluxe. Consumer's business models are middle to high society and are distributed in certain stores. While the business model of mass production volume more priority than the design. Target consumer is the business model to the middle. In contrast more with the business model distributions. In this business model, the production scale is relatively small, and production activity generally in the company's convection. In addition to the business model of production, there is also a wholesale business model, which the seller to buy products in bulk and then resell it (Studi Industri Kreatif Indonesia, 2008).

b. Culinary.

The culinary industry is an additional sub-sector in a group of sub-sector development of the creative economy. Previously, in 2009 master

plan there were only 14 groups of sub-sectors in the creative economy, until finally in 2011 the government deepening and improvement on strategic issues necessary for the development of the creative economy. In addition to this, the government adding culinary industry into subgroups of the creative industries sector, due to the culinary industry have contributed to the development of the creative economy, and there are elements of creativity and innovation in it. Within the context of the creative economy, culinary practices is an activity serving food and drinks where aesthetic element and creativity is the most important aspect that gives additional value in culinary products and supports increased selling prices. There are two scopes of culinary development related to the creative economy, namely:

- a) Culinary Services is a food and beverages service provider business outside the home. Based on the presentation process, is divided into two, namely restaurants and catering services. The restaurant is a provider of food and beverage services were visited by consumers. While catering or commonly called a service provider catering food prepared food and beverages in place that has been defined by the customer.
- b) Culinary Goods are processed foods and beverages products which are usually sold in packs. (Kementerian Pariwisata dan Ekonomi Kreatif RI, 2014).

In DIY there are many types of restaurants, ranging from that provides typical foods of DIY or traditional foods, regional foods from several regions in Indonesia, until foreign foods. Related to the tourism sector, the domestic and foreign tourists prefer to do a culinary trip to taste the typical foods of DIY. As time, today culinary products become more innovative. Starting from street food, café, until starred restaurant.

c. Craft.

Craft is an industry that produces products, which made by hand or mechanical tools. The craft products are made from raw materials in unlimited numbers. The kind of products might be a utility product, aesthetic, artistic, creative, cultural preservation, decorative, functional, traditional, religious, and social signs. Based on the raw material, craft products can be categorized to:

1. Ceramic (clay, pottery, porcelain, etc.)
2. Metal (gold, copper, silver, bronze, iron, etc.)
3. Natural fiber (bamboo, roots, rattan, etc.)
4. Stones (gemstone, semi gemstone, jade, etc.)
5. Textiles (cotton, silk, linen, etc.) (Studi Industri Kreatif Indonesia, 2008).

3. SWOT Analysis

SWOT is a tool used to develop the company's strategic factors. SWOT matrix describes the opportunities and threats faced by a company can be

adjusted to the strength and weaknesses (Rangkuti, Freddy, 2004). SWOT analysis comparing the chances of external factors, opportunity and threats and internal factors force, strength and weakness. To analyze more deeply about the SWOT, it is necessary to external and internal factors seen as an important part of a SWOT analysis (Irham Fahmi, 2013).

These external factors affecting the formation of opportunities and threats (O and T). Where these factors are concerned with the conditions that occur outside the company that affects the decision making of the company. The internal factors affecting the formation of strengths and weaknesses (S and W). Where these factors are concerned with the conditions that occur in the company, which also influenced the formation of decision-making companies (Nisak).

SWOT analysis used to formulate the development of creative industry strategies, especially for sub-sector of fashion, culinary and craft. The analysis of creative industry development strategies not only includes the strategy to maximize the strengths and opportunities of the creative industry but also about the strategies of minimizing threats and weakness.

B. Previous Research

1. The first reference is the study of the development model of competitiveness for SMEs (Small and Medium Enterprises), especially in the creative industries in Bandung (Utami & Lantu, 2013). In this research explained that competitiveness is a comprehensive concept comprising a potential

dimension, the dimension of the process, and the dimensions of execution or performance. In the dimension of potential consists of internal capabilities (financial capacity, human resource capacity, and the ability of innovation), the external environment (the general environment, competitiveness environment, and supportive environment), the character of the owner (a passion, motivation, personality, knowledge, talent, experience, and leadership), and the character of the company (vision, mission, and values). While the dimensions of strategies mean that the strategy used to make the business to achieve the target. And the last is the dimension of performance which means the object of competitiveness, which is divided into two measurements: financial performance (the performance of markets and assets) and non-financial performance (quality of products, customer satisfaction, market expansion, improvement of human resources, and reputation).

2. This study argues that innovation is a key element or a major boost in the competitiveness of a business. The purpose of this study is to identify the key factors of success in innovation to accelerate the progress of the creative industries (Azis, et al, 2014).
3. This study aimed to analyze the index of competitiveness of SMEs in Yogyakarta and to analyze the state of SMEs in DIY, both internally and externally. The method used to calculate the competitiveness index is a theoretical diamond Porter and a Likert Scale. Another analysis tool used is the SWOT (Strength, Weakness, Opportunity, and Threat). By using the

SWOT analysis method, expected outcomes is that researchers can offer strategies for SMEs in Yogyakarta with a view to being able to compete in AEC (Azizah, 2016).

4. This research aims to analyze the small and medium industries competitiveness in the manufacturing sector in Central Java by using the framework of Porter's diamond model. Measurement of the competitiveness index is using the value established in the industry rankings, the company, dimensions and elements. The ranking of dimensions and elements based on the weight were obtained from the Eigenvalue in each elements and dimension. Based on the results of the index values calculated, small and medium industries in the manufacturing sector in Central Java are highly competitive both for each dimension and overall dimensions (Wiyadi, 2009).

CHAPTER III

RESEARCH METHODOLOGY

A. Research Objection

The object of this study is sub-sectors in the field of creative industries in DIY (Yogyakarta) related or associated with the tourism industry sector. Sub-sectors of the creative industries in question are sub-sectors of fashion, culinary and craft.

B. Data Types

In this research, there are two types of data used, primary data and secondary data.

1. Primary Data.

Primary data is data obtained or collected by researchers directly from the data source. In order to obtain primary data, researchers must collect it directly. The technique can be used researchers to collect primary data include observation, interviews, discussions focused (focus group discussion - FGD) and questionnaires (Widiastuti).

In this research, the writer collects the data with some techniques namely questionnaires and interviews with the actors in the creative industry sub-sectors of fashion, craft and culinary in DIY.

2. Secondary Data.

Secondary data were obtained by collecting information from various sources such as the research literature by reading, observation, written materials obtained from books, magazines, websites, journals, theses, thesis, and resources related to supporting the creative industries.

C. Sampling Technique

1. Populations.

The population is a group of individuals who have the same characteristic or are relatively similar. The population can be defined as a collection of subjects, variables, and concepts or phenomena. (Creswell, 2008). By examining every member of the population we can know the nature of the population that relevant (Morissan, 2012).

2. Samples.

The sample is a part of the population that will be involved in the research which is the part is representative and represent the character or characteristics of the population (Neuman, 2010).

This study using purposive sampling as the technique of sampling. Purposive sampling is a sampling method that uses certain respondents to provide the desired information, selected respondents are those that have information or fulfill the criteria of research (Sekaran, Uma, 2009).

Based on the definition of purposive sampling method above, the writer determine people whose become the respondents in this research must be an actor in the creative industry on fashion, culinary and craft sub-sectors and have contribution or relation with tourism sector.

There are three guidelines in determining the sample:

- 1) in each study, the sample size is about 30 to 500;
- 2) if the factors used in the study are numerous, then the sample size is at least 10 times the number of factors;
- 3) if the sample of the study will be divided into sections, then the sample size of the sample is at least 30 for each required section (Roscoe, 1975).

In this research, the distribution of questionnaires and interviews conducted directly by the writer to the 40 samples on fashion, culinary, and craft sub-sectors that have been selected and fulfill the criteria of research.

D. Data Collection Techniques

1. Questionnaires.

Questionnaires were used as the data collection methods or techniques, where to obtain the required data, the writer provides a set of questions related to the competitiveness of creative industry on fashion, culinary and craft sub-sectors to a number of respondents. This method is used to obtain the data that related to the performance and the

competitiveness of creative industry on fashion, culinary and craft sub-sectors in DIY which also relates with the tourism sector.

In collecting the data by using a questionnaire, the questions made by the writer and will be answered by the related respondents and will be given a score by using a Likert scale. Answers from respondents will be rated based on the four options or alternative answers which will be converted into a Likert scale of 1 to 4. The level of measurement that used is ordinal, which implies the figure given of levels, where the objects or variables are used will be sorted by specific dimensions.

The answer from the respondents in this research will be rated with the rating scale from 1 until 4 from each answer. The more value of an answer that closer to the number 4 means that the respondents answers met the criteria and had a positive response for a given weight value of 4 and if the value of the answer is getting smaller or close to number 1, it means that the answers from the respondents did not meet the criteria for research assessment, means that it does not indicates the competitiveness of the creative industry for of fashion, culinary and craft sub-sectors in DIY.

As has been said before, if the value of an answer has a negative response or close to 1, the weight value obtained will be lower, and vice versa, if the answers of the respondents were positive and its value approaching 4, the answer is going to get a high score. Weights of assessments criteria from answers are:

1: very bad

2: bad

3: nice

4: very nice

In this research, the distribution of questionnaires conducted directly by the writer to the 40 samples on fashion, culinary, and craft sub-sectors that have been selected and fulfill the criteria of research.

2. Interview.

An interview is a conversation with a specific purpose. The conversation was conducted by two parties, the interviewee and interviewers who asked some questions related to the research and interviewee will answer questions that have been asked. The interview itself is one of the techniques of data collection by asking a direct question by the interviewer to the respondent-related, and the respondent's answers are recorded by the interviewer (Moleong, 2005).

E. Data Analysis

After the data was collected, then analyzed to answer the research questions with several stages:

1. Analysis of Factor.

Analysis of factors was used to determine the value of Eigenvalue, where Eigenvalue is used to determine the weight of each elements and

dimensions of competitiveness was researched (Wiyadi, 2009). The weight was used to analyze and make the ranking of each element and dimension of competitiveness in the creative industries subsectors of fashion, culinary and craft DIY.

The competitiveness of creative industry on fashion, culinary and craft sub-sectors in DIY was established based on the four-dimensional of diamond porter, namely:

1. the dimensions of factor conditions;
2. the dimension of demand conditions;
3. the dimension of firm strategy, structure, and rivalry;
4. the dimensions of related and supporting business.

The writer make some adjustments in the elements of diamond Porter model's dimension:

1. Use the elements of raw material resources, the availability of local raw materials, educational background, skilled labors, capital resources and financing institutions on the dimension of factor condition.
2. Use the element of competition, barrier to entry, cost of production, and level of output on the dimension of demand condition.
3. Use the element of innovation, marketing partnership, advertising utilization and social media utilization on the

dimension of corporate strategy and structure of the competition.

4. Use the elements of the type of technology, the productivity of technology owned, adjustment of the era development, and the role of community/ institution/ agencies in the creative industry.

2. Conduct factor analysis using the SWOT (Strengths, Weakness, Opportunity and Threat) analysis.

The writer use the SWOT (Strengths, Weakness, Opportunity, and Threat) to conduct the analysis of factors. The analysis itself was used to formulate the development of creative industry strategies, especially for sub-sector of fashion, culinary and craft. The analysis of creative industry development strategies not only includes the strategy to maximize the strengths and opportunities of the creative industry but also about the strategies of minimizing threats and weakness.

The function of SWOT analysis and competitive strategy was to analyzed the strengths, weaknesses, and competitive advantages of the company/business was conducted through an analysis of the internal conditions of the company, as well as an analysis of the opportunities and threats facing the company were conducted through analysis of external conditions.

There were two factors in SWOT analysis, namely external and internal. The external factors affecting the formation of opportunities and threats (O and T). Where these factors were concerned with the conditions that occur outside the company that affects the decision making of the company. These factors were included the industry environment and the macro business environment, economics, politics, law, technology, demographic and socio-cultural. Meanwhile, the internal factors was affected the formation of strengths and weaknesses (S and W). Where these factors were concerned with the conditions that occurred in the company, which also influenced the formation of decision-making (decision making) companies. Internal factors include all kinds of functional management: marketing, finance, operations, human resources, research and development, information management systems and corporate culture (corporate culture). (Nisak). In line with (Henry, 2011) the SWOT matrix is used as the one of strategy formulation tool.

Table 3.1

Matrix SWOT Diagram

IFAS EFAS	Strength (S) Determine 5 to 10 the internal factors of strengths.	Weakness (W) Determine 5 to 10 the internal factors of weakness.
Opportunities (O) Determine 5 to 10 the external factors of threat.	SO Strategy Create strategies which use the strengths to utilize the opportunity.	WO Strategy Create strategies which minimize weakness to utilize the opportunity.
Threats (T) Determine 5 to 10 external factors of threats.	ST Strategy Create strategies which utilize strengths to resolve the threat.	WT Strategy Create strategies which minimize weakness and avoid the threat.

CHAPTER IV

OBJECT OF RESEARCH OVERVIEW

A. Profile Special District of Yogyakarta.

1. DIY Geographical.

DIY was one of the provinces in Indonesia, located in the central part of Java Island. DIY position lies between 7°.33' - 8°.12' south latitude and 110°.00' - 110°.50' east longitude, and was recorded an area of 3185.80 km². 65% of the territory in the province at an altitude of between 100 m - 499 m above sea level; 28, 84% at an altitude of less than 100 m; 5, 04% at an altitude of between 500 m - 999 m and 0, 47% are at elevations above 1000 m. DIY is divided into five districts, namely Kulon Progo, Bantul District, Yogyakarta, Sleman and Gunung Kidul regency with the total number of villages in the districts of the village numbered 438. DIY provincial capital contained in the Yogyakarta District lead by Sultan HB X as governor of DIY. DIY there is a volcano of Mount Merapi with a height of 2,941 m, which is located in Regency Sleman. Several rivers also flow in the province, such as the Code River, Opak River, Progo River, River Gajahwong, Winongo and Serang River. DIY has a tropical climate which is influenced by the dry season and the rainy season. The total area owned by the widest Gunung Kidul Regency with an area of 1485.36 sq km area, followed by Kabupaten Kulonprogo with an area 586,27 km², Kabupaten Sleman with an area of 574.82 km², Bantul with an area of 506.85 km², and Regency

Yogyakarta with the smallest area covering an area of 32.50 km² (Badan Pusat Statistik Provinsi D.I.Yogyakarta, 2016).

2. DIY Tourism.

Besides being known as the city of students and culture, DIY was also known as the city of tourism, for DIY has a lot of resources that support to be used as a tourist destination, ranging from historical tourism, arts and culture, village tours, nature tours, and much more. Besides being a destination or a destination for local tourists, DIY is also a tourist destination for foreign tourist. Exotic nature, culture, art and DIY famous local population with the simplicity and hospitality is the main attraction for visitors who come to DIY and create a longing to always come back.

When we talked about the tourist destinations in DIY then there will be no end. It was started from the historical and religious, in the province there are some destinations and destinations such as Prambanan, Ratu Boko, Sambisari, Candi Abang, Candi Ijo, King of the Castle Baths Complex, Palace, site Warung Boto, Gede Mosque, the tomb of Kings in Imogiri , the tomb of kings in Kota Gede, the Vredeburg Fort etc. In DIY there are also several museums, such as the Keraton's Train Museum, Sonobudoyo Museum, Museum of Jogja Kembali, Ullen Sentalu, Affandi Museum, and much more. DIY also offers exotic beautiful landscape as Mount Merapi, Parangtritis, Indrayanti Beach, Coastal Pok Tunggal, Niagara Sri Getuk,

Goa Selarong, Pindul Cave, Mangrove Forest, Pine Forest, Orchard Mangunan, and more.

Culinary tourism in DIY was also interested to be on the agenda when visit DIY. Because culinary completes tourists visit when visit DIY through a variety of cuisine. The development of innovation and creativity of the entrepreneurs in the culinary field today makes a lot of diverse culinary offer. From signature dishes of DIY, national, and foreign until fusion food or kinds of cuisine that are a fusion of the food of area or tradition or cultures. Not be surprised if today visit to of DIY, besides being able to see the typical culinary of DIY like bakpia, gudeg, yangko, geplak, sate klathak, the tourists can easily see the places that serve culinary from several regions in Indonesia. This is because there are few universities in DIY, where his students came from various regions in Indonesia. Not only typical of DIY and national culinary course, cuisine from around the world can also be easily found in DIY, such as Italian culinary, American, French, Arabic, Chinese, Korean, French, Mexican and more.

3. Overview of Fashion Subsector in DIY.

Fashion is a creative activity was associated with the creation of clothing, footwear design, and other fashion accessories design, production of fashion apparel and accessories, consulting fashion product lines, as well as the distribution of fashion products. (Studi Industri Kreatif Indonesia, 2008).

One of the processes in the manufacturing of fashion products is ready-to-wear. Ready-to-wear is a manufacturing process which is based on the standard size/general and the results are marketed as a product that is ready to wear. The process of making the product ready-to-wear is usually used for clothing products, accessories, and footwear (Kementerian Pariwisata dan Ekonomi Kreatif RI, 2014). Because of DIY is well known with batik fabric, it makes many industries in fashion sub-sectors that choosing batik fabric as the raw material in the manufacturing process in fashion products ready-to-wear. Meanwhile, for the product accessories such as handbags and wallets and footwear are made from leather raw materials.

4. Overview of Culinary Subsector in DIY.

a. Gudeg.

Gudeg is one of the typical culinary of DIY and become an icon of DIY. Many people within Indonesia called Yogyakarta as Gudeg City. Gudeg is a typical food of Yogyakarta and Central Java which is made of young jackfruit cooked in coconut milk. The gudeg cooking process takes many hours. On the gudeg brown color, was derived from the leaves of teak participating cooked simultaneously. Gudeg itself serve as a friend to eat rice vegetables served with thick coconut milk (areh), chicken, eggs, tofu and sambal goreng krecek (Abadi & S).

b. Bakpia.

Bakpia is a traditional cake DIY was contained fine green beans and wrapped in a thin skin are made from flour. Currently, bakpia contents already vary among others, bakpia contain cheese, kumbu black, chocolate and much more. In terms of skin texture bakpia now more varied, ranging from soft, to the crispy. Bakpia industrial centers in DIY are in Ngampilan, Yogyakarta near Market Pathuk. In addition to gudeg, bakpia as food has become mandatory to be used as souvenirs by tourists visiting Yogyakarta (Kurniawan, 2010).

c. Coffee Shop.

The culture of drinking coffee almost has become part of the lifestyle, particularly in urban areas. Currently, the coffee shop is not just a coffee shop that serves drinks only, but its function is increasingly widespread, such as the place to converse or a place to have a meeting as a casual discussion. In urban areas the number of coffee shops grows more and more, ranging from the simple to the modern coffee shop. In terms of tourism and lifestyle, not a few travelers who come to the DIY kind of domestic and foreign tourists to just relax and enjoy the beauty of Jogja while tasting a cup of coffee at the coffee shop. In addition to eating places serving food typical of DIY, coffee became one of the destinations for the culinary tour in DIY.

5. Overview of Crafts in Subsector DIY.

a. Lurik.

Besides batik, DIY also has other unique fabric that is Lurik. Lurik craftsmen can easily be found at Dusun Krapyak, Sewon, Bantul. Manufacturer of Lurik still using traditional tools combined with human power. In addition to at Dusun Krapyak, craftsmen of Lurik fabrics can also be found in the area Maduksimo, Bantul. The striated fabric has a distinctive motif shaped vertical lines.

b. Silver.

DIY's silver centers was located in Kotagede. In Kotagede there are many silver craftsmen, majority are home industry scale or home industry. The products are produced also varies, ranging from rings, necklaces, miniature, badges, and much more.

c. Pottery.

Industrial centers of pottery can be found in Kasongan and Pundong, Bantul. The process of making pottery began with the processing of clay, then molded and dried and then burned. Pottery function itself is not only for household needs, with innovations that develop, refined of clay is also used as ornaments, vases, and even souvenir for the wedding.

d. Batik.

From the side of fashion and craft, batik has become the hallmark of DIY. Beside it was used as traditional clothing, as for women batik was used as a pair when wearing kebaya. But since the developments in the world of fashion make batik cloth not only can be used as official apparel and tradition, but also can be made as daily wear.

The process of making batik vary, there are written using canting, and there is also created using the stamp technique. This manufacturing process was affected the quality and price of batik cloth. Batik cloth dyeing process is divided into two kinds, the first to use natural dyes, and the second using synthetic dyes or artificial (Murtihadi & Mukminati, 1979).

B. Profile of Respondents

The respondents in this study were respondents who have a business related to the creative industries subsector fashion, culinary and craft and also related with the tourism sector in DIY. Respondents had consisted of the owner eateries (restaurant / café), a manufacturer of processed food, craft producers, and boutique owner.

1. Fashion Industry in DI.

For subsector of fashion, the writer was examined a sample with respondents that were consisted from boutique owner batik apparel, clothing

accessories such as jewelry, bags, purses, and leather shoes. Because these two business models that produce products that are commonly used as souvenirs by tourists. Almost the boutique business model utilizing social media and online as their marketing strategies methods. Because in the era of globalization and the ease of dissemination of information through digital media and social media, almost everyone has social media accounts and have a gadget that supports Internet access. Thus, it is used by the fashion businessman to help in marketing their products.

2. Culinary Industry in DIY.

Restaurant and café are part of the culinary industry. Restaurant and café is a provider of food and beverage services, which not only provides food and beverages but also offers a place for consumers to enjoy their meal. Usually for the eateries are still in small scale, they are not too notice with the aesthetics and interior aspect. But, for the eateries that have medium scale up, they not only pay attention to the taste of food, but they also pay attention to aspects of service, cleanliness, ambiance, and the interior of their business as a way to attract the hearts of customers. The researchers took respondents in some areas in DIY, such as a restaurant that serves DIY's traditional foods, cafes, and coffee shops.

Food processed products are usually sold in packaged form. Processed products were getting has many variations. If related to a traditional or typical food preparations DIY, bakpia into processed food products are most wanted

by tourists as souvenirs, besides a culinary icon of Jogja, bakpia also have many flavors.

The writer took samples bakpia manufacturers that located in the Ngampilan, which is Ngampilan is center of bakpia production. According to producers of bakpia, the production of bakpia increased when the holiday season arrives. For a small industry usually, they already cooperate with the bus driver of tourism, where they will sell their products on a bus theme or sell them at the tourist bus passengers, as a strategy to compete with the bakpia's producers with large scale. Meanwhile, producers of bakpia with large scale, they cooperate with the pedicab drivers to bring tourists buy of bakpia in their store, to compensate producers of bakpia with this large scale will reward the pedicab driver who succeeded in bringing tourists to buy of bakpia in their store.

3. Craft Industry in DIY.

DIY craft has a lot of potentials, ranging from batik fabrics, bamboo craft, pottery, Lurik fabric, silver, and much more. Distribution locations dominated craft producers were in Bantul. For some types of craft such as blangkon, batik fabrics, and fabric Lurik marketed in Jalan Malioboro and Beringharjo because both these places are a mandatory destination for tourists who want to do shopping in Yogyakarta. The writer took samples of respondents for craft sub-sectors in some areas in DIY. Some of these respondents are already using information technology and social media and

online for marketing strategy. But some of them were still not utilized social media and online media as a marketing strategy of their products, even they do not know and understand how to use it, for example, is a large-scale pottery Pundong home industry in the village, Bantul. For the producers who already leverage the power of information technology and social media and online, they were admitted that make the marketing activities become much easier and more effective.

CHAPTER V

RESULT AND DISCUSSION

A. Instrument Quality Test

Before the questionnaires were distributed to the respondents, the writer was conducted the instruments test first. The instrument test were considered of validity and reliability test. The purpose is to measure that questionnaires that would be used were good or not.

1. Validity Test

Validity is the level of reliability and validity of measurement tool that were used. The instrument was said to be valid means that it shows the measurement tool was used to obtain the data was valid or could be used to measure what should be measured (Sugiyono, 2004).

a. Demand Condition

Table 5.1

KMO and Bartlett's Test (Demand Condition)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.535
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Sources: Primary Data Processed

Table 5.2

Anti- image Matrices Test (Demand Condition)

Anti-image Correlation	Competition	0,523(a)
	Barrier to entry	0,544(a)

	Price	0,539(a)
	Level of output	0,566(a)

Source: Primary Data Processed

Validity test results on the trust aspect above shows that the value of KMO is 0,535 states that the instrument in this research is valid because the KMO value was greater than 0, 5. Anti-image correlation results namely 0.523 (Competition), 0,544 (Barrier to Entry), 0.539 (Price), 0,566 (Level of Output). It could be stated that the four items that are used to measure the demand condition are valid.

b. Factor Condition

Table 5.3

KMO and Bartlett's Test (Factor Condition)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0,558
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Source: Primary Data Processed

Table 5.4

Anti- image Matrices Test (Factor Condition)

Anti-image Correlation	Raw material resources	0,538(a)
	The availability of local raw materials	0,530(a)
	Skilled labors	0,663(a)
	Educational background	0,650(a)
	Capital resources	0,582(a)
	Financial institution (Bank)	0,534(a)

Source: Primary Data Processed

Validity test results on the trust aspect above shows that the value of KMO is 0,558 states that the instrument in this research is valid because the KMO value was greater than 0, 5. Anti-image correlation results namely 0,538 (Raw materials resources), 0,530 (The availability of local raw), 0.663 (Skilled Labors), 0,650 (Educational Background), 0.582 (Capital Resources), 0,534 (Financial Institution). It could be stated that the four items that are used to measure the factor condition were valid.

c. Firm Strategy, Structure, and Rivalry

Table 5.5

KMO and Barlett's Test (Firm Strategy, Structure, and Rivalry)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0,525
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Source: Primary Data Processed

Table 5.6

Anti- image Matrices Test (Firm Strategy, Structure, and Rivalry)

Anti-image Correlation	Innovation	0,531(a)
	Marketing partnership	0,639(a)
	Advertising utilization	0,519(a)
	Social media utilization	0,524(a)

Source: Primary Data Processed

Validity test results on the trust aspect above shows that the value of KMO is 0,525 states that the instrument in this research is valid because the KMO value was greater than 0,5. Anti-image correlation results namely 0.531 (Innovation), 0,639 (Marketing Partnership), 0.519 (Advertising

Utilization), 0,524 (Social Media Utilization). It could be stated that the four items that are used to measure the firm strategy, structure, and rivalry were valid.

d. Supporting Industries and Related Industries

Table 5.7

KMO and Barlett's Test (Firm Strategy, Structure, and Rivalry)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0,542
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Source: Primary Data Processed

Table 5.8

Anti- image Matrices Test (Supporting Industries and Related Industries)

Anti-image Correlation	The types of technology	0,557(a)
	The productivity of technology owned	0,534(a)
	The adjustment with era development	0,526(a)
	Community	0,549(a)

Source: Primary Data Processed

Validity test results on the trust aspect above shows that the value of KMO is 0,542 states that the instrument in this research is valid because the KMO value was greater than 0,5. Anti-image correlation results namely 0.557 (The types of technology), 0,534 (The productivity of technology owned), 0.526 (The adjustment with era development), 0,549 (Community). It could be stated that the four items that are used to measure the supporting industries and related industries were valid.

2. Reliability Test

Reliability measurement in principle indicates the extent to which measurements can provide relative results that are no different when performed on the same subject. The higher level of reliability measured in the instrument, the more stable and the more reliable the measurement in measuring a symptom will be. In this test, reliability test is done by using Cronbach Alpha value.

If $\alpha > 0,90$ means perfect reliability, or if α between $0,70 - 0,90$ means high reliability, or if α between $0,50 - 0,70$ means moderate reliability, or if $\alpha < 0,50$ means low reliability (Basuki, 2015).

a. Demand Condition

Table 5.9

Reliability Statistics Test (Demand Condition)

Cronbach's Alpha	N of Items
0.696	4

Source: Primary Data Processed

Table 5.10

Item-Total Statistics Test (Demand Condition)

	Cronbach's Alpha if Item Deleted
Competition	0,691
Barrier to entry	0,560
Price	0,530
Level of output	0,547

Source: Primary Data Processed

Reliability test results on the trust aspect above shows that coefficient value of Cronbach's Alpha is 0.696 states that instrument in this research is reliable. Cronbach's Alpha value of each item are 0,691 (Competition), 0,560 (Barrier to Entry), 0,530 (Price), 0,547 (Level of Output). It can be stated that the four items that are used to measure the demand condition were reliable.

b. Factor Condition

Table 5. 11

Reliability Statistics Test (Factor Condition)

Cronbach's Alpha	N of Items
0,744	4

Source: Primary Data Processed

Table 5.12

Item-Total Statistics Test (Factor Condition)

	Cronbach's Alpha if Item Deleted
Raw material resources	0,840
The availability of local raw materials	0,750
Skilled labors	0,611
Educational background	0,540
Capital resources	0,532
Financial institution (Bank)	0,529

Source: Primary Data Processed

Reliability test results on the trust aspect above shows that coefficient value of Cronbach's Alpha is 0,744 states that instrument in this

research is reliable. Cronbach's Alpha value of each item are 0,840 (Raw materials resources), 0,750 (The availability of local raw), 0,611 (Skilled Labors), 0,540 (Educational Background), 0,532 (Capital Resources), 0,529 (Financial Institution).It can be stated that the six items that are used to measure the factor condition were reliable.

c. Firm Strategy, Structure, and Rivalry

Table 5. 13

Reliability Statistics Test (Firm Strategy, Structure, and Rivalry)

Cronbach's Alpha	N of Items
0,549	4

Source: Primary Data Processed

Table 5.14

Item-Total Statistics Test (Firm Strategy, Structure, and Rivalry)

	Cronbach's Alpha if Item Deleted
Raw material resources	0,682
The availability of local raw materials	0,542
Skilled labors	0,523
Educational background	0,518

Source: Primary Data Processed

Reliability test results on the trust aspect above shows that coefficient value of Cronbach's Alpha is 0,549 states that instrument in this research is reliable. Cronbach's Alpha value of each item are 0.682

(Innovation), 0,542 (Marketing Partnership), 0.523 (Advertising Utilization), 0518 (Social Media Utilization).It can be stated that the four items that are used to measure the firm strategy, structure, and rivalry were reliable.

d. Supporting Industries and Related Industries

Table 5. 15

Reliability Statistics Test (Supporting Industries and Related Industries)

Cronbach's Alpha	N of Items
0,736	4

Source: Primary Data Processed

Table 5.16

Item-Total Statistics Test (Supporting Industries and Related Industries)

	Cronbach's Alpha if Item Deleted
The types of technology	0,621
The productivity of technology owned	0,775
The adjustment with era development	0,641
Community	0,677

Source: Primary Data Processed

Reliability test results on the trust aspect above shows that coefficient value of Cronbach's Alpha is 0,736 states that instrument in this research is reliable. Cronbach's Alpha value of each item are 0,621 (The types of technology), 0,775 (The productivity of technology owned), 0,641

(The adjustment with era development), 0,677 (Community).It can be stated that the four items that are used to measure the supporting industries and related industries were reliable.

B. Result

1. The Analysis of Competitiveness Dimensions Weight

Research analysis of creative industry competitiveness in the sub-sectors of fashion, culinary and craft in DIY based on Porter's diamond models, namely:

1. Dimensions of factor conditions;
2. Dimensions of demand conditions;
3. Dimension of supporting industries and related industries.
4. Dimension of strategy, structure, and rivalry.

The table below explain about the elements of each dimension of competitiveness in creative industry on sub-sectors of fashion, culinary, and craft in DIY.

Table 5.17

The Description of Elements in Each Dimensions Creative Industry Competitiveness on Sub-Sectors of Fashion, Food, and Crafts in DIY

Competitiveness Elements
Demand Condition
Competition
Barrier to entry
Price
Level of output

Continue table 5.17

Factor Condition
Raw material resources
The availability of local raw materials
Skilled labors
Educational background
Capital resources
Financial institution (Bank)
Firm Strategy, Structure, and Rivalry
Innovation
Marketing partnership
Advertising utilization
Social media utilization
Supporting Industries and Related Industries
The types of technology
The productivity of technology owned
The adjustment with era development
Community

The analysis of creative industry competitiveness in the sub-sectors of fashion, culinary and craft in DIY is determined based on the weight of each element in each dimension that obtained from the value of Eigenvalue. Furthermore, the ranking of elements and dimensions weight to find out about the competitiveness of creative industries on sub-sectors of fashion, culinary and craft in DIY. Weight of dimensions and elements determined by the amount of Eigenvalue obtained from the results of the factor analysis (Wiyadi, 2009).

Table 5.18
The Weight of Elements Dimension of Creative Industry Competitiveness

Elements	Weight
Competition	17,33%
Barrier to entry	11,46%
Price	10,28%
Level of output	8,93%
Raw material resources	7,95%

The availability of local raw materials	7,05%
Skilled labor	6,05%
Educational background	5,18%
Capital resources	4,75%
Financial institution (Bank)	4,34%
Innovation	3,77%
Marketing partnership	3,19%
Advertising utilization	2,82%
Social media utilization	2,44%
The types of technology	2,01%
The productivity of technology owned	1,37%
Adjustment to the condition of era	0,56%
C community	0,478%

Sources: Primary Data Processed

Table 5.19

The Dimension Ranking of Creative Industry Competitiveness on Sub-Sectors of Fashion, Food, and Crafts in DIY

Dimensions	Weight	Ranking
Demand Condition	48,01%	1
Factor Condition	35,33%	2
The Strategy and Rivalry Structure of the Competition	12,23%	3
Supporting Industries and Related Industries	5,43%	4

Source: Primary Data Processed

2. Analysis of Elements Weight in Each Dimensions of Creative Industry

Competitiveness

Table 5.20

The Elements Ranking in Each Dimension of Creative Industry Competitiveness on Sub-Sectors of Fashion, Food, and Crafts in DIY

Competitiveness of Each Element	Weight	Ranking
Demand Condition	100%	
Competition	32,52%	1
Barrier to entry	29,27%	2
Price	20,97%	3
Level of output	17,24%	4
Factor Condition	100%	
Raw material resources	26,38%	1
The availability of local raw materials	20,53%	2

Continue table 5.20

Skilled labors	17,51%	3
Educational background	16,36%	4
Capital resources	10,53%	5
Financial institution (Bank)	8,69%	6
Firm Strategy, Structure, and Rivalry	100%	
Innovation	35,74%	1
Marketing partnership	28,65%	2
Advertising utilization	21,79%	3
Social media utilization	13,82%	4
Supporting Industries and Related Industries	100%	
The types of technology	47,12%	1
The productivity of technology owned	26,21%	2
Adjustment to condition of era development	18,31%	3
Community	8,36%	4

Source: Primary Data Processed

C. Discussion

Based on table 5.20 about the ranking of the competitiveness dimension of creative industries on sub-sectors of fashion, culinary and craft in DIY can be concluded that the dimension of demand conditions got the highest ratings with the weight 48.01%. Its means that the dimension of demand conditions has the most important role to the competitiveness in the creative industry on sub-sectors of fashion, culinary and craft DIY. In the dimension of demand conditions, the element of competition was ranked first with the weight 32.52% and was followed by the element of the barrier to entry in the second place with the weight 29.27%. Barrier to entry in the creative industry sub-sectors of fashion, culinary and craft DIY is low, so can create the new competitor can easily enter into the creative industries. By knowing the element of competition

and barriers to entry elements, the firms in this industry can know the competitiveness condition and can determine the attractiveness of industry strategy to increase the demand and stay afloat amid intense competition.

Followed by elements of price and level of output in the third and the fourth ranks with the weights 20.97% and 17.24%. These elements influence the dimension of demand condition because the price give impact to the demand condition. Meanwhile, the level of output explain about the ability of firms in this industry in the term of demand fulfillment. How far the firms in this industry can fulfill the demand.

Based on table 5.20, dimension of condition factor in the second rank of the competitiveness dimension in creative industry on sub-sectors of fashion, culinary and craft in DIY. In this dimension, the highest ranking element occupied by elements of the source of raw materials and was followed by the element of availability of local raw materials with the weights at 26.38% and 20.53%. This is because, the majority of the companies in the creative industries subsector fashion, culinary and craft in DIY use local raw materials and supported by the easiness of availability of local raw materials , because most of these companies has already make a partnership with the suppliers / other parties in the term of raw materials fulfillment.

Meanwhile, for the elements of skilled labor has the weights at 17,51% and the educational background weights at 16,56%. The elements of skilled labor has been already sufficient but the number of skilled labors in the industry

are still limited, and from the elements of educational background explain that the educational background of workers doesn't give big impact to the creative industry competitiveness.

For the element of capital resources has weights at 10.53% and the element a financial institution (Bank) has a weight 8,69%. Based on the element of capital resources, most companies in this industry comes from personal money, but there are a few companies that combine their personal money with personal loans such as lending money to friends or family. The element of the financial institution (Bank) in dimension factor conditions obtaining the lowest ratings because although according to entrepreneurs in the creative industries assess that the technical loan financing to the Bank is fairly easy, but there are still many of these entrepreneurs are afraid to borrow money from the Bank, by reason of fear of default, especially for the companies with a micro scale, but there are also a company that avoid loan money from the Bank in order to avoid *riba*.

Dimensions of firm strategy, structure and rivalry at the third rank on the ranking dimension the competitiveness in the creative industry sub-sectors of fashion, culinary and craft with the weights at 12,23%. In this dimension, the highest elements occupied by elements of innovation. It means that the element of innovation has big role in the competitiveness of creative industry with the weight 35,74%. Followed by the elements of marketing partnership with the weight 28,65%.

In the third rank of elements of dimension firm strategy, structure and rivalry, is occupied by elements of utilization advertising with the weight 21.79% and the last one occupied by elements of social media utilization with the weights at 13,82%. In this dimension, the elements of social media utilization ranked the last because although the entrepreneurs assessed the utilization of social media was quite effective in marketing their products, but there are some companies that still do not use social media as a media for marketing their products. This is because these companies with a microscale and in the countryside have limited knowledge about the technology of communications, information, and digital and the limitations of age to learn and understand how to use it and how to utilize it as a marketing media.

The last ranking of the competitiveness dimension of creative industries sub-sectors of fashion, culinary and craft in DIY is occupied by the dimension of the supporting industry and related industries with the weight 5,43%. In this dimension, the element of technology type ranked first in the competitiveness rankings dimension elements of the creative industry sub-sectors of fashion, culinary and craft DIY with a weighting of 47.12%. This is because many companies have been using this type of modern technology, either for production or of marketing activities. However, for some companies such as batik cloth, silver, blangkon, bags or leather shoes are still using the traditional technology types in the production process.

At the second ranked in this dimension occupied by element the productivity of the technology owned with the weights at 26.21% and was

followed in the third rank is an element of adjustment in which the meaning of adjustments in this case is the adjustment to following the development of era such as the desire to upgrade the technology owned. At this element has a weight of 18.31%. The companies considered that the technology owned has been quite supportive of labor productivity, and for the adjustment element some companies especially those still using traditional technology in the production process, do not intend to upgrade technology because the technology owned already supports. However, some companies, especially in the culinary field such as café has a desire to make adjustments of current development, such as upgrading the technology owned and decoration of the place to make consumers feel comfortable and attracted to come.

Ranked last in this dimension occupied by community element with the weight 8.36%. Although it has started many community are emerging in the creative industries and the role is quite supportive, but the activity was still less active regarding in support the development and competitiveness of the creative industries.

D. SWOT Analysis

Before the writer formulate the strategy of creative industry competitiveness in DIY by using SWOT analysis, the writer was analyzed the internal and external problems first. The internal and external problems shows in table 5.4 below.

Table 5.21

Analysis of Internal and External Factors of Creative Industry in Culinary, Fashion and Crafts Subsectors.

Problems	
Internal	External
<ul style="list-style-type: none">- Skilled labors.- Commercialization of products.- Capital.- Rent cost.- Digital technology and information & communication media utilization.	<ul style="list-style-type: none">- Number of design schools.- Public facilities & infrastructure.- Raw material

Based on table 5.21 above, could be concluded that the number of skill labors in this industry were limited. Besides that, the ability in product commercialization still weak. The limitation in capital also became internal problem for companies/ industries in creative industry in DIY, such as for buy new production equipment, pay rent, etc. For the industry with micro-scale still have limited or lack understanding and knowledge about the use of digital technology or information & communication media.

Based on the table 5.21 above, the companies/ industries in creative industry in DIY was faced several external problems, such as the limited number of design schools DIY, the limited number of amenities and public facilities and infrastructure which support the development of creative industries. For the raw material side, there were several problems like the instability of raw material prices. Although it is fairly easy to obtain raw materials, but the availability of raw materials depends on the market, so to a

certain days, such as a holy day. The availability of raw material, because some raw material were not available in DIY, and the lack of ability from companies/ industries to cultivation the raw material for maintain the availability of raw material.

Table 5.22

SWOT Matrix of Creative Industry Subsectors Culinary, Fashion and Crafts in DIY

<p><u>Internal Factor</u> Evaluation (IFE) & External Factor Evaluation (EFE)</p>	<p><u>STRENGTHS (S)</u></p> <ul style="list-style-type: none"> - Entrepreneurial spirit in society - Market responds. - Government support. - Increasing of innovators numbers. 	<p><u>WEAKNESS (W)</u></p> <ul style="list-style-type: none"> - Marketing & Commercialization - Creative & Skilled Labors. - Capital. - Management ability. - Technology & communication media utilization. - Foreign market and trends. - Marketing.
<p><u>OPPORTUNITIES (O)</u></p> <ul style="list-style-type: none"> - Modern lifestyle - Tourism destination - Students city - Technology & digital media communication literation. 	<p><u>SO Strategy</u></p> <ul style="list-style-type: none"> - Utilize the information and communication technology strategy. - Facilities of public facilities and infrastructure. - Optimizing the potential of the local economy. - Enhance partnership with another sector. 	<p><u>WO Strategy</u></p> <ul style="list-style-type: none"> - Business management capabilities. - Information activity and market trends domestic and abroad. - Socialization and training on E-commerce. - Organize product exhibitions, pop-up market or a bazaar.

Continue table 5.22

<p><u>OPPORTUNITIES</u> <u>(O)</u></p> <ul style="list-style-type: none"> - Modern lifestyle - Tourism destination - Students city - Technology & digital media communication literacy. 	<p><u>SO Strategy</u></p> <ul style="list-style-type: none"> - Utilize the information and communication technology strategy. - Facilities of public facilities and infrastructure. - Optimizing the potential of the local economy. - Enhance partnership with another sector. 	<p><u>WO Strategy</u></p> <ul style="list-style-type: none"> - Business management capabilities - Information activity and market trends domestic and abroad. - Socialization and training on E-commerce. - Organizing product exhibitions, pop-up market or a bazaar.
<p><u>THREATS (T)</u></p> <ul style="list-style-type: none"> - Tight competition - Raw material price. - Expansion of large-scale business industry. 	<p><u>ST Strategy</u></p> <ul style="list-style-type: none"> - Consumer education. - Producer education. - Partnership between businesses with community. 	<p><u>WT Strategy</u></p> <ul style="list-style-type: none"> - Strengthening the response analysis about the trends products. - Leveraging the utilization of information and communication.

Source: Primary Data Processed

Based on table 5.22 from Strength (S) side, there was increased of the entrepreneurial spirit and the number of innovators in society especially among the young generation. For the market response was pretty good toward this industry, and the government also quite cooperative and supported this industry.

Meanwhile from the Weakness (W) side, marketing and commercialization of products still not optimal. The companies/ industries also has limitation in capital to develop their business. Besides that the number of

creative labors limited also, and the business management ability still low, where the system of organization and business management was still traditional. The lack of information about foreign market and trends and the lack of digital technology / modern information technology for marketing of products utilization became weakness of companies/ industries in creative industry in DIY.

For the Opportunity (O) side, people with modern lifestyles tend to be more consumptive became the opportunity for develop this industry. Another opportunity such as DIY still be excellent tourist destinations both domestic and foreign tourists, and the number of universities and student population which quite a lot that the domicile from various regions. And also society already literate with modern information and communication technology / digital.

From the Threats (T) side, there were several points such as there were tight competition between employers in their respective sub-sectors both at the regional, national and international, the price of raw materials tends to rise, over control of business from government, low alignments local consumers towards domestic products. The assumption that foreign brand better and prestige factor, and a sense of satisfaction from users when using the products of foreign brands, the expansion of business in large-scale industry and modern markets make the industry in micro-small scale with limited capital can be difficult to develop.

After knew the Strength (S), Weakness (W), Opportunity (O), and Threats (T) from this industry the writer formulate and offer several strategies to develop this industry like we could see in table 5.5, namely:

1. Strength (S) – Opportunity (O)

- a) Optimizing the utilization of information and communication technology as marketing strategy.
- b) Increase in the number and facilities of public facilities and infrastructure, as well as government policies that support the development of creative industries.
- c) Optimizing the potential of the local economy that supports the development of creative industries, such as the availability and quality of raw materials.
- d) Enhance cooperation between the creative industries and the tourism sector support the development of creative industries.

2. Weakness (W) – Opportunity (O)

- a) Strengthening the business management capabilities as well as the quality of skilled human resources through training and mentoring.
- b) Provision of information activity and market trends domestic and overseas and actual date of the government.
- c) Socialization and training on E-commerce, use of information technology and communications as well as the ethics of its use, particularly to SMEs and micro and small scale.

- d) Organizing product exhibitions, pop-up market or a bazaar for actors in the creative industries as a platform for introduce their products to the consumers.

3. Strategy (S) – Threats (T)

- a) Understanding to consumers about the quality of local products which are not inferior to the products of foreign brands.
- b) Direction and understanding to local producers to maintain product quality in order to compete in the market especially with foreign brands.
- c) Strengthening the functions of the institution and the community that supports the development of creative industries.
- d) The existence of cooperation between businessmen in each sub-sector with a community or agency in the creative industry and government to support the development of Creative industries.

4. Weakness (W) – Threats (T)

- a) Strengthening the response analysis about the trends products.
- b) Leveraging the information and communication technology as a platform for the delivery of education and socialization and information about the local creative industries both for consumers and producers.

CHAPTER VI

CONCLUSION AND SUGGESTION

A. Conclusion

Based on the analysis and explanation regarding the competitiveness of creative industries, sub-sectors of fashion, culinary and craft in DIY which related with tourism DIY's tourism sector in previous chapters, it can be concluded that:

Based on the four dimensions of competitiveness according to the model of diamond porter in the creative industries subsector fashion, culinary and craft in DIY, the dimension of demand conditions has the greatest role to see and assess the competitiveness in this industry. Followed by the dimensions of the condition factors; the dimensions of corporate strategy, structure, and rivalry; and the last is the dimension of supporting industries and related industries. By seeing and knowing each dimension and the elements forming dimensions of competitiveness in the creative industry subsector of fashion, food, and crafts in DIY, the businessman or entrepreneurs in this industry can be more prepared to compete with competitors, and make the right strategy in order to survive in this industry. Meanwhile, for the government, it may be a consideration and advice in making policies and strategies for developing this industry.

The competitiveness of the creative industry sub-sectors of fashion, culinary and craft in DIY is still faced several problem. Some of the issues encountered, among others such as:

1. Weakness in understanding and utilization of information technology and communication, especially for businesses with micro-scale in this industry, because if utilized properly and optimally, information and communication technology can be used as a marketing tool products are effective and efficient.
2. The limited number of skilled labor along with the number of schools or vocational training is still limited.
3. Weakness in the commercialization of products, particularly to compete with foreign products.
4. The limited number of amenities and public facilities and infrastructure that can support the development of creative industries.
5. The availability of some raw material types are not available in DIY, as well as raw material prices are likely to frequently rise.

Regarding the issue of problems faced in the development of the creative industry's subsectors of fashion, culinary and craft in DIY, the writer offer some recommendations to be used as a strategy of development of creative industries such as:

1. Local governments can maximize support for the development of creative industries by providing training in both soft skills and hard skills that support the development of creative industries, as well as providing public facilities and infrastructure that support the development of this industry, both in terms of quantity and quality and facilities.

2. Entrepreneurs in the creative industries, it is expected to have a willingness to study information technology and personal communication and language skills, as well as creating new innovations.
3. Strengthening institutions and communities function as a forum for the development of creative industries.
4. Organizing exhibitions, bazaar or pop-up market as a place to facilitate businesses in the creative industries to introduce their products to the wider community.
5. The businesses in the creative industries should also pay attention and maintain the quality of their products.

B. Suggestion

By seeing and knowing each dimension and the elements forming dimensions of competitiveness in the creative industry subsector of fashion, food, and crafts in DIY, the businessman or entrepreneurs in this industry can be more prepared to compete with competitors, and make the right strategy in order to survive in this industry. Meanwhile, for the government, it may be a consideration and advice in making policies and strategies for developing this industry. For the further researchers need to add about the competitiveness index measurement to know about the index value of creative industry competitiveness in DIY, and to know about the condition of DIY's creative industry competitiveness, the competitiveness of creative industry in DIY including in what category? The competitiveness of creative industry in DIY include in low, medium or high category?

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