



Innovative Response Cultural Fashion SMEs Towards Sustainable Business

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Abstract

Background: Research aims to identify the critical challenges and marketing strategies faced by cultural fashion SMEs and how they adapt to global changes to sustainable businesses. This research is descriptive qualitative. The data collection technique of this research used the interview method. The selection of informants in this study used a non-probability sampling method with a snowball sampling approach.

Objective: This study aims to review the strengths and weaknesses, opportunities and threats based on information obtained from 7 informants Such as crafters, local communities, entrepreneur Udeng Pacul Gowang and representatives of the Sidoarjo Regency Education and Culture Office.

Method: The strategic factors of Udeng Pacul Gowang obtained are entered in the form of Internal Strategic Factors Analysis Summary (IFAS) and External Factor Analysis Strategic (EFAS) tables, where each factor of the company's strategy is weighted. Giving internal and external weights is based on the calculation of the category value of the assessment of each strategic factor, from here it is seen which one has the greatest influence and the smallest influence to provide an assessment. Next, the researchers matched internal strengths and weaknesses with external opportunities and threats based on the information obtained at the input stage. The analytical tools used in this study are the IE matrix (internal-external), the SWOT Quadrant Matrix, and the SWOT Matrix SWOT Analysis is able to identify the potential and barriers of the cultural fashion industry.

Results: Innovative responses by SMEs in the cultural fashion industry are crucial for achieving sustainable business practices. The result of this study found that SMEs can use a range of strategies, including engaging in social and environmental responsibility practices, developing innovative products, and utilizing digital technologies to reach broader markets. Collaboration between SMEs, government, and other stakeholders is also important in developing sustainable business practices. These efforts can lead to positive outcomes, such as improved financial performance, enhanced social and environmental impacts, and increased competitiveness in the global market.

Conclusion: (SMEs) play a crucial role in the socioeconomic development of a country. They create job opportunities, empower women, expand rural livelihoods, reduce poverty, contribute to GDP, develop businesses, and enhance entrepreneurial institutions. Among these SMEs are those in the creative industry of cultural fashion, such as Udeng Pacul Gowang products, which have global competitiveness. Udeng Pacul Gowang, made from batik cloth, is a product of state identity that can be used for cultural diplomacy. The development of this business potential requires the support of the government, the private sector, academics, and practitioners. The government

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can open up opportunities for UKM Udeng Pacul Gowang through policy regulations, while academics and practitioners can collaborate to conduct research and innovation for sustainable business continuity. The younger generation can also practice directly in understanding the business and culture of Udeng Pacul Gowang to regenerate craftsmen. The Sidoarjo Regency government's current support for local culture-based products requires evaluation and follow-up to provide capital grants, soft skills training, and appropriate technology for the digital era's challenges.

Keywords: marketing strategy; cultural fashion; smes; sustainable business

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1. Introduction

Today, entrepreneurship and enterprise creation are undoubtedly considered agents of development all over the world. The creative economy, which includes the creative industry, has made a significant contribution to economic growth in several countries, as shown by historical facts. In some developed countries, such as the UK, the creative industry's contribution to GDP reached 7.9 percent, exceeding the income from the manufacturing sector, which was only 5 percent. Meanwhile, in Australia, the creative industry contributed about 3.3 percent of GDP with an average annual growth of 5.7 percent (Simatupang, 2008: 26) in Kamil (2015). Moreover, in Indonesia, based on Badan Ekonomi Kreatif (BEKRAF) – Creative Economy Agency– data, the creative economy contributed 7.28% to Indonesia's gross domestic product in 2017 (kominfo.go.id). The creative economy sector has enormous potential to absorb labor through Micro, Small and Medium Enterprises (MSMEs) by utilizing resources and creativity from the community.

Many international organizations have highlighted the role of the cultural industry in social and personal development, pointing to it as the core of the so-called “global competitiveness” (OECD, 2010). Gustafsson & Lazzaro (2021) found that the cultural creative industry became a strategic sector to compete globally, as it implemented an experimental and continuous innovation exchange model between SME and large enterprises, academia, and the public sector, while aiming to foster new business models, products and services through strategic partnerships and business incubators. In addition, the cultural creative industry has the potential to stimulate innovation, growth, development sustainability, welfare, employment, income, and the appropriateness of the urban or territorial environment, especially for future generations. The cultural creative industry contributes to the economic wealth and quality of life of the community as well as an arena to encourage social inclusion and foster cultural diversity. So, even though the cultural and creative industries have the local value of their own communities, the value they hold is thought to be very universal (Njatrijani, 2018).

In the twentieth century, fashion was understood to be more decisive as an expression of identity. Reformation and political openness also give small and medium-sized businesses (SME) a lot of chances to show their regional identity through fashion products (Marchetti, 2015). Indonesia has the soft power to build a national image such that the development and success of the Indonesian government in encouraging creative fashion can be admired and imitated by other countries. Hence, the fashion sub-sector has a competitive advantage over the other sixteen sub-sectors, because Indonesia empowers national values that are not shared by other nations. For example, the cultural heritage, history, and geographical characteristics of Indonesia. This makes the Indonesian fashion industry a competitor in global trade (Muis, et al, 2020). As known, the potential of the creative industry in the fashion sector is able to provide a significant economic contribution and a large source of foreign exchange. In addition, it creates a positive business climate and builds the nation's image and identity.

The emergence of various fast fashion products causes consumptive behavior which is commonly called Fear Out Missing Out for consumers so the existence of slow fashion products such as attributes and culture-based clothing are increasingly being abandoned. As a fashion creative industry, Udeng Pacul Gowang, provides a different value from other products because this company offers cultural fashion products which have been recognized as the intellectual property of Sidoarjo Regency. This

means that philosophies, values, and meanings are embedded in the product's ancestors. However, the facts say that the existence of Udeng Pacul Gowang is getting dimmer. The low level of cultural literacy and flexibility in the use of Udeng Pacul Gowang causes people to be less interested in this cultural fashion product. In fact, continuous support and appreciation from various parties are needed to maintain this cultural heritage. It's the same when someone preserves batik. Udeng Pacul Gowang is made of batik cloth with a typical motif of Sidoarjo Regency, which is then processed into head accessories.

SMEs Udeng Pacul Gowang needs to determine a comprehensive strategy model to survive in the fierce fashion business competition. Several studies highlighted that the main challenge for SME was not only networking with well-known local, national and international partners, but also developing appropriate management skills and practices to coordinate and integrate knowledge which are formulated by external and internal parties with the innovative process (OECD, 2017). The literature in the SMEs sector highlights the various factors that influence the growth of underdeveloped SMEs. Among them, inadequate skills, competencies, and resources continued to be obstacles in adapting to technical changes, market uncertainty, and high levels of competition (Samantha, Ganewatta, & Amo, 2011; Jayasundara et al., 2019; Naradda Gamage et al., 2019; Ekanayake et al, 2020). Therefore, this study aimed to identify the critical challenges faced by SMEs Udeng Pacul Gowang and how they adapted to modernity and global changes.

2. Method

This research employed the descriptive qualitative method. The data for this research was collected through the interview method. The selection of informants in this study used a non-probability sampling method with a snowball sampling approach. The strategic factors of Udeng Pacul Gowang obtained were documented in the form of IFAS and EFAS tables, where each factor of the company's strategy was weighted. The category value of each strategic factor was used to figure out how much weight to give to each internal and external factor. Then, it is seen which one has the greatest influence and which one has the smallest influence to provide an assessment. Based on the information they obtained during the input stage, the researchers then matched the company's strengths and weaknesses with opportunities and threats from the outside. The analytical tools used in this study were the IE matrix (internal-external), the SWOT Quadrant Matrix, and the SWOT Matrix.

2.1. Sample / Participants

An informant is a person who has information about a problem that the researcher wants to know. The informants were selected using a non-probability sampling method with a snowball sampling approach. According to Sugiyono (2014) snowball sampling was a technique for determining samples that were first small in number, then enlarged. This method was chosen because when the researchers involved only one or two persons, the information obtained was incomplete. Therefore, the researchers looked for other informants to complete the information needed. All of the informants were people who were knowledgeable about the dynamics of Udeng Pacul Gowang Culture in Sidoarjo Regency.

Technically, an informant is a party who can provide a rich, detailed and comprehensive explanation of an object that concerns what, who, where, when, how and why. Hence, in this study, the informants involved were:

1. Udeng Pacul Gowang Craftsman
2. Community around craftsmen
3. Culturalists of Sidoarjo Regency
4. The Ministry of Education and Culture and
5. Sidoarjo Regency Tourism Office

2.2. Data collection procedures

An informant was a person who has information about a problem that the researcher wanted to answer. A non-probability sampling method with a snowball sampling approach was employed to select the informants. According to sugiyono (2014) snowball sampling was a technique for determining samples that are first small in number, then enlarged. This method was chosen because when the

researchers involved only one or two persons, the information obtained was incomplete. Therefore, the researchers looked for other informants to complete the information needed.

Data collection in this study used the interview method. Estenberg in Sugiyono (2014:233) suggested three types of interviews, namely, structured, semi-structured, and unstructured interviews. A structured interview was employed if the researcher was certain of the data that would be collected. So, when interviewers do research, they come up with written questions and alternative answers that can be used as research tools. During this structured interview, each informant was asked the same question, and the answer was written down. With these structured interviews, researchers could use multiple interviewers to collect the data. The data collectors were trained prior to the actual interview.

Semi structured interviews were included in the category of in-depth interviews that were carried out more freely when compared to structured interviews. The purpose of this type of interview was to find the problem more openly by asking for interviewees' opinions. In conducting this interview, researchers needed to listen carefully and record what the informants put forward. Interviews were conducted in person. With this technique, researchers could directly reveal information from informants without going through intermediaries. Researchers recorded information provided by informants and discussed unclear information without having any influence on the informants' answers.

The question form used an open-ended interview, which was an interview with questions that allowed the informant to give long answers and be flexible based on the situation or social reality at the time. This interview technique was performed on all informants. This interview characteristics were pliable, open, unstructured and not in a formal setting. If there was data lacking, it could be repeated again to the same informant.

2.3. Data analysis

The analytical tools used in this study were the IE matrix (internal-external), the SWOT Quadrant Matrix, and the SWOT Matrix. Table 1 illustrated the IFAS wight values while Table 2 showed the EFAS weight values.

Table 1. Determination of IFAS weight value

No	Strengths and Weaknesses	B	R	B*R
Strengths				
1	Has a distinctive design	0,15	3	0,45
2	Registered HKI as a cultural heritage of Sidoarjo Regency	0,12	4	0,48
3	State diplomacy tools	0,10	3	0,30
4	The craftsman's economic activator	0,08	3	0,24
5	Easy and safe to be carried as a souvenir	0,05	2	0,10
Total Score Weight Strength				1,57
Weaknesses				
1	Can only be used during certain activities or clothes	0,14	1	0,14
2	The number of craftsmen is still a few	0,13	1	0,13
3	There is no type of head size (all size)	0,09	2	0,18
4	Only sold in traditional shops	0,08	3	0,24
5	There is no patented batik motif in making Udeng Pacul Gowang	0,06	2	0,12
Total Score Weakness Weight				0,81

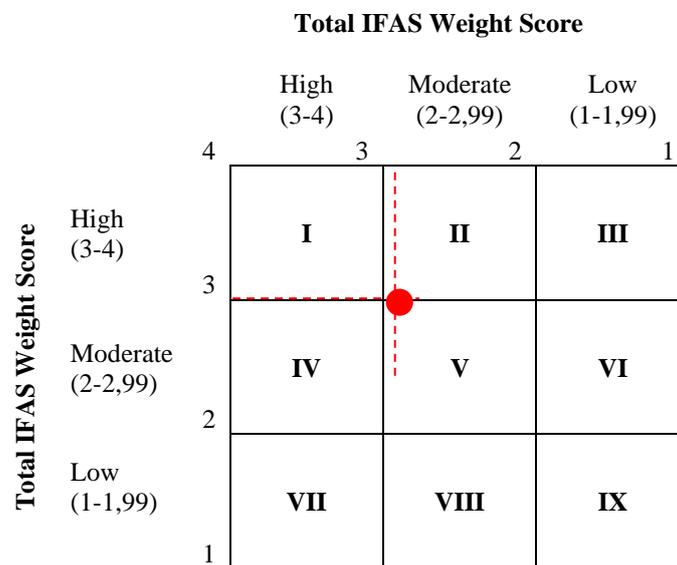
Note: The value is filled in by the author based on the data collected

Table 2. Determination of EFAS weight value

No	Opportunities and Threats	B	R	B*R
Opportunities				
1	Attract tourists to visit	0,17	3	0,51
2	There is a central government policy to use regional clothes when working	0,15	4	0,60
3	There are various activities for MSMEs in Sidoarjo Regency	0,11	3	0,33
4	Implementation of independent learning at the school/college level	0,07	3	0,21
Total Opportunity Weight Score				1,65
Threats				
1	The occurrence of price competition between similar products	0,16	3	0,48
2	Urban people are not interested in local culture	0,12	2	0,24
3	Indigenous people are less concerned about Sidoarjo Regency	0,10	1	0,10
4	Do not have space as a fashion trend among young people	0,07	2	0,14
5	Limited capital of craftsmen	0,05	1	0,05
Total Threat Weight Score				1,01

Note: The value is filled in by the author based on the data collected

The sum of the strength and weakness weight scores (S+W), which resulted in a score of 2.9, was the total IFAS weight score. While the total EFAS weight score was obtained by adding up the opportunity and threat weight scores (O+T), the value was 2.85. Furthermore, the weight scores were analyzed in the IE matrix (internal-external). The results of the analysis showed that the combined weight score was in quadrant V (2.9; 2.85). In other words, Udeng Pacul Gowang was in a position to maintain and preserve by doing market penetration and product development.

**Figure 1.** IE matrix (internal-xxternal)

The total IFAS weight score was obtained by calculating the difference between the strength and weakness (S-W) weighting scores, so that a value of 0.7 was obtained. While the total EFAS weight score is obtained by calculating the difference between the opportunity and threat weights (O-T), the value is 0.45.

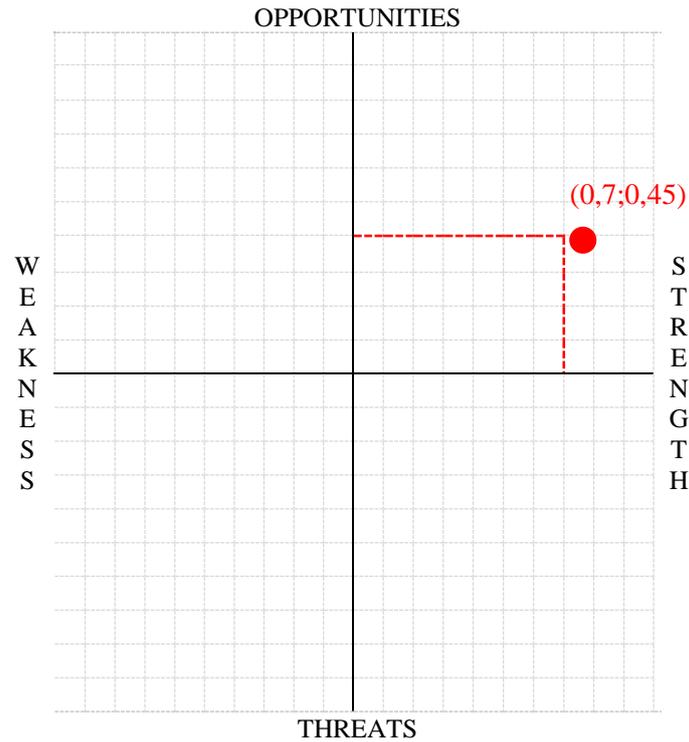


Figure 2. SWOT quadrant matrix

Based on the SWOT Matrix Analysis, Udeng Pacul Gowang was located between the axes of opportunity and strength which were in quadrant 1. So, to preserve Udeng Pacul Gowang an aggressive strategy (Growth Oriented Strategy) to take advantage of strengths in order to seize opportunities was recommended. Quadrant 1 is a very favourable situation. However, this company needed to be careful because its coordinates were close to 0. In other words, it was likely to turn into a minus, so it moves to another quadrant.

3. Results

This matrix showed how the organization could match the opportunities and challenges it faced from the outside to its own strengths and weaknesses. There were four groups of potential alternate tactics that this matrix could generate.

Table 3. SWOT matrix (strength, weakness, opportunity, threat)

<p>IFAS</p> <p>EFAS</p>	<p><u>Strength (S)</u></p> <ol style="list-style-type: none"> 1. Has a distinctive design 2. IPRs were registered as a cultural heritage of Sidoarjo Regency 3. State diplomacy tools 4. The economic driver of craftsmen 5. Easy and safe to be carried as a souvenir 	<p><u>Weakness (W)</u></p> <ol style="list-style-type: none"> 1. Can only be used during certain activities or with particular clothes 2. Very few numbers of craftsmen There is no type of head size (all size) 3. Only sold in traditional shops 4. There is no patented batik pattern in making Udeng Pacul Gowang
<p><u>Strength (O)</u></p> <ol style="list-style-type: none"> 1. Attract tourists to visit 2. There is a central government policy to use regional clothes when working 3. There are various activities for MSMEs in Sidoarjo Regency 4. Implementation of independent learning at the school and college level 	<p><u>Strategy S-O</u></p> <ol style="list-style-type: none"> 1. Strengthening the branding of Udeng Pacul Gowang as an alternative souvenir/souvenir typical of Sidoarjo Regency 2. Designing policies to require government employees to use Udeng Pacul Gowang at work. 3. Triple helix collaboration to support independent learning activities 4. The Department of Youth, Sports and Tourism participates in and organizes local, national, and international fashion shows 	<p><u>Strategy W-O</u></p> <ol style="list-style-type: none"> 1. Increase the number and quality of craftsmen by providing assistance and training for prospective young entrepreneurs and outstanding students who have an interest in the fashion sector 2. Develop market access for Udeng Pacul Gowang through digital and traditional markets 3. Participate in the title of MSME products organized by the Sidoarjo Regency Government. 4. FGD among business owners, craftsmen, culturalists and fashion associations to determine which batik motifs are patented as typical of udeng pacul gowang
<p><u>Threat (T)</u></p> <ol style="list-style-type: none"> 1. The price competition between similar products 2. Urban people are not interested in local culture 3. Indigenous people who do not care about the culture of Sidoarjo Regency 4. Little chance to be a fashion trend among young people 5. Limited capital of craftsmen 	<p><u>Strategy S-T</u></p> <ol style="list-style-type: none"> 1. Encouraging local, national, and international influencers to popularize the use of Udeng Pacul Gowang as a current fashion trend 2. The Sidoarjo Regency Government provides guidance on management, especially from the accounting aspect to facilitate access to capital, both soft loans from banks and the government 3. Product diversification to support the marketing of Udeng Pacul Gowang 4. The Sidoarjo Regency Government held a Udeng Pacul Gowang creation competition for young people 	<p><u>Strategy W-T</u></p> <ol style="list-style-type: none"> 1. Develop product quantity and quality 2. Government assistance in strengthening capital to increase production output. 3. Encouraging creativity and innovation to promote the unique combination of Udeng Pacul Gowang with Indonesia's socio-cultural diversity to form a new trend for consumers, 4. Motivating the millennial generation of Sidoarjo Regency to make a campaign video using Udeng Pacul Gowang through social media

4. Discussion

Based on the results of the SWOT matrix in Table 3, a different marketing strategy was made to help save Udeng Pacul Gowang by using its strengths and opportunities to make up for its weaknesses and threats. The alternative strategies were:

4.1. *Strategy S-O (Stenght - Opportunity)*

4.1.1 *Strengthening the Branding of Udeng Pacul Gowang as a Typical Souvenir of Sidoarjo Regency*

Udeng Pacul Gowang has been sold in several gift shops. However, according to the craftsmen's information, the turnover from these sales has not been maximized. Some local people felt that Udeng was only used at particular moments so it was deemed less useful. This might make people less interested in choosing it as the exclusive souvenir of Sidoarjo Regency. The unattractive packaging also lessened the economic value of Udeng Pacul Gowang as souvenirs from Sidoarjo. Some Udeng Pacul Gowang were sold unpackaged, especially the type of Udeng Pacul Gowang that was directly used with a stiffer base. It was suggested that the business owners use unique and attractive packaging to get people to buy them as souvenirs.

According to Setiawan (2013), success in competition between business owners was increasingly determined by innovative capabilities in producing quality goods and services (or systems) accompanied by quality packaging. Therefore, the Udeng Pacul Gowang business owners should replace the previous Udeng packaging, which only used ordinary plastic, with paper bags or cardboard. Other than adding value to the product, this new packaging can also increase brand awareness among consumers because it is environmentally friendly. Furthermore, the labels or product logos/brands may imply the values of local wisdom which increases consumers' cultural literacy.

4.1.2 *Designing Policies to Require Government Employees to Use Udeng Pacul Gowang While Working*

Referring to the Regulation of the Ministry of Home Affairs of the Republic of Indonesia, Number 11 of 2020, Udeng Pacul Gowang may be worn as an attribute of the daily uniform of regional civil servants. Article 15 paragraph 2 of the regulation required the civil servants to wear batik/weaving/regional clothing on Thursdays and/or Fridays within the local government offices. Therefore, a regulation that suggests male employees be wearing Udeng Pacul Gowang along with the daily uniform can be recommended. Apart from being an attribute of regional identity, Udeng is also used as a soft diplomacy tool for government officials when receiving and visiting other regions. This effort also helps to increase the productivity of Udeng Pacul Gowang craftsmen with the new market, which is government employees. Thus, it can increase the number of product orders and business profits.

4.1.3 *Triple Helix Collaboration to Support Independent Learning Activities*

In their research, Yanuarsari et al. (2021) claimed that one of the policies to address the transformation of learning is the Merdeka Belajar-Kampus Merdeka (MBKM) – Independence in Learning and Independent Campus. The Minister of Education and Culture invites all universities in Indonesia to develop strategic plans in thoroughly preparing student competencies to be better prepared to face the challenges of the times, with reference to Minister of Education and Culture Regulation Number 3 of 2020 concerning National Standards for Higher Education. This regulation was created to improve the quality of learning and university graduates. In results, a number of theories of higher education management, including the Triple Helix Model (Dzisah & Etzkowitz, n.d.), have developed a model of reciprocal relationships between universities as hubs for the development of human competence, the business community as consumers of human resources, and the government as policymakers who set the standards for the other two parties (Putra & Nasori, 2021). From the academic perspective, measures that can be done to enhance the growth of creative industries include business assistance, counseling and training, equipment facilitation, and student internship programs (Azizah and Muhfiatun, 2018). The business dimension helps businesses do better, serves as an example (inspired business), and helps other business sectors. From the government's point of view, strengthening actions include making mediators and regulators' jobs easier, making marketing easier, giving people training, and making it easy to get money.nce. Through the independent learning program and triple helix collaboration, it is hoped that the regeneration of new craftsmen will come among students and students will continue to be committed to becoming young entrepreneurs who preserve cultural heritage.

4.1.4 *The Youth, Sports and Tourism Office Participates in and Organizes Local, National, and International Fashion Shows*

The development of tourist destinations has been integrated with several sectors to increase their competitive value and maintain their existence as sustainable tourist destinations. Therefore, the Youth, Sports and Tourism Office of Sidoarjo Regency should participate and help optimize the expansion of Udeng Pacul Gowang's market share, both on a local, national, and international scale, through tourism attractions such as fashion shows. The Department of Youth, Sports, and Tourism should work with craftsmen, artists and culture communities, fashion enthusiast communities, local/regional artists, media, and travel agents to introduce Udeng Pacul Gowang to the public. The Sidoarjo Regency Government can contribute, support, and encourage young regional designers to involve themselves in local, national, and international fashion events, which are generally attended by foreign fashion enthusiasts. Over the past 20 years, there have been more than 200 exhibitions on fashion or central themes, which have attracted a large number of visitors and attention from the media (Garcia, 2018). Countries such as Italy, England, France, Belgium, Germany, and others have organized exhibitions dedicated to cultural fashion to show the extent of achievement, importance, influence, and progress.

The Department of Youth, Sports and Tourism can host a similar fashion show event with the Udeng Pacul Gowang as the theme. People in the area can recognize and understand the philosophy of their cultural heritage through art performances. In addition, business owners can sell Udeng Pacul Gowang directly at the show location. Without realizing it, by participating in the show, designers communicated to global audience about the Indonesian values of cultural diversity and wealth (Fithriana and Nopitasari, 2018). Craftsmen can involve in the event by sharing their experiences in making Udeng Pacul Gowang to the visitors. Tourists may have the opportunity to make and buy their own homemade Udeng. Participating in this fashion event or exhibition will bring benefits to industry players. The benefits are not only in the form of increased sales turnover but also a marketing strategy so that the products offered can be known by the local and international community (Wijaya, 2021).

4.2. *Strategy W-O (Weakness – Opportunity)*

4.2.1 *Increasing the Number and Quality of Craftsmen by Providing Assistance and Training for Prospective Young Entrepreneurs and Outstanding Students Who Have an Interest in The Fashion Sector*

Based on information from sources, the number of Udeng Pacul Gowang craftsmen is still very small. This is due to the lack of regeneration of Udeng craftsmen to continue to develop and preserve this cultural heritage as a sustainable business. Therefore, in order to increase the number and quality of craftsmen, the government can provide assistance and training to prospective entrepreneurs or the people of Sidoarjo Regency who need jobs in the fashion sector to wrestle as business actors udeng shovel gowang. Antara and Yogantari (2018) state that the government (central, provincial, and district) needs to provide support and facilities for the development of the creative industry, thereby stimulating more creative young people to enter the creative industry. Support and facilities can be in the form of soft- and hard-skills training and the provision of appropriate technology to increase the success of Udeng Pacul Gowang production.

4.2.2 *Developing Market Access for Udeng Pacul Gowang Through Digital and Traditional Markets*

One of the main problems for business owners and craftsmen of Udeng Pacul Gowang is the market. This limited market access makes it difficult for Udeng Pacul Gowang's business to develop. The marketing of Udeng Pacul Gowang is still limited to souvenir shops; there is no support to facilitate Udeng business actors selling in various potential places such as hotels, restaurants, and shopping centers such as traditional markets and malls in Sidoarjo Regency. So that the awareness and interest of tourists and local people to buy will be higher if Udeng Pacul Gowang can be found anywhere. In addition, it is necessary to expand market access through digital marketing. Udeng Pacul Gowang business owners and craftsmen need support from the government and academics to get marketing training via the internet. as in e-commerce and social media (Instagram, Tiktok, and Facebook).

According to Fithriana and Nopitasari (2018), modern fashion and those containing traditional elements will be even better if supported by technology such as social media, because it is able to make developments in fashion. The way that can be done is to advertise the goods at exchange rates. In order to achieve this, Udeng Pacul Gowang business owners need to create product catalogs, both printed and digital, to make it easier for consumers to buy and recognize their products.

4.2.3 *Participating in the SMEs Product Exhibition Organized by the Sidoarjo Regency Government*

On every anniversary of Sidoarjo Regency, usually the Sidoarjo Regency Government holds an exhibition of MSME products for entrepreneurs entitled MSME Expo. Through these activities, business owners in Udeng Pacul Gowang can directly show and sell Udeng products to people in their communities. The Department of Youth, Sports, and Tourism and the Department of Industry and Trade can also promote Udeng through the government's official website so that more people know about this cultural heritage product. Craftsmen and Udeng Pacul Gowang business owners can also participate in the annual exhibition of IKM products by the Industry and Trade Department and various other types of exhibitions. However, in addition to exhibitions, Udeng Pacul Gowang business actors also need to have an IKM / MSME Certificate at the Industry and Trade Office so that they can always be registered to participate in every product exhibition activity and get more assistance in the form of training, marketing, and so on organized by Sidoarjo Regency Government.

4.2.4 *Conducting FGD among Business Owners, Craftsmen, Culturalists, Academics and Fashion Industry Clusters to Determine Which Batik Motifs are Patented as Typical of Udeng Pacul Gowang.*

Collaboration between regional elements such as the creative industry community (society), local governments and universities is needed to develop the potential of the creative economy industry (Arifianto, et al, 2018) Udeng Pacul Gowang batik motifs currently vary. Although all of them reflect the identity of Sidoarjo Regency, they have not focused on just one batik motif which can later become the iconic of Udeng Pacul Gowang. So far, Udeng Pacul Gowang has a characteristic only in its shape and model. However, it has not been harmonized with the motifs and batik materials used. Therefore, it is important to have an FGD (Forum Group Discussion) that exists between craftsmen, cultural observers, and observers of the fashion industry to determine the appropriate batik motif for Udeng Pacul Gowang. In order to win the competition in the global market and adopt the role of the green economy, Udeng craftsmen can maximize the use of natural dyes as materials for making Udeng Pacul Gowang batik cloth. Utilization of indigenous technology and natural dyes in the SME creative fashion design industry in Indonesia is one of the answers to facing the global market (Felaza, 2015). For that, there needs to be a synergy between craftsmen, fashion designers, humanists, and batik craftsmen.

4.3. *Strategy S-T (Strength – Threat)*

4.3.1 *Encouraging local, national, and international influencers to popularize the use of Udeng Pacul Gowang as a fashion trend today*

Through this way, independent of the approach assumed in fashion exhibitions dedicated to identities, the fashion identity of the nation's icons promotes the context where they have lived (Marchetti, 2018) The power of fashion as a political and ideological tool has never been questioned. Fashion politics exists as soft diplomacy, which is a key instrument of public diplomacy. The progress of designers on an international scale can be a way to share the goals and values that have been set. Diplomacy is a way to influence the policies, behaviors, and ways of other actors to think the way they want to achieve goals. formally, the government is in charge of diplomacy. However, globalization and technological developments affect nation-state diplomacy techniques. The involvement of other actors is needed to be more synergistic in achieving national goals, including the involvement of non-formal or public actors such as business people, designers, academics, artists, and others (Fithriana and Nopitasari, 2018). Public involvement, whether they realize it or not, has an important role in achieving national interests. This means that the presence of influencers has a significant influence on a fashion

trend in society. People are inspired and moved to follow what influencers are using. Local influencers are usually young achievers in Sidoarjo Regency who are fondly called Gus Yuk. Sidoarjo Regency can also invite social media celebgrams in Sidoarjo Regency and outside the region with thousands of followers to get involved in promoting Udeng Pacul Gowang. In addition, the roles of government officials and public figures, and the community also participate together in using Udeng in various activities.

4.3.2 *The Sidoarjo Regency Government Provides Guidance on Management, Especially from The Accounting Aspect to Facilitate Access to Capital, Both Soft Loans from Banks and The Government*

Researchers' interviews show that many people who make Udeng Pacul Gowang have problems. One of these problems is that they don't have enough money or capital. So, it is difficult to produce finished goods that are always available for sale because currently it is still using the PO (pre-order) system. This results in difficulties in selling digitally, as in e-commerce and other digital platforms. With the guidance and assistance of the government, it is hoped that matters related to finance and capital can be beneficial for producers. The government can cooperate with academics and banking institutions to provide socialization and training in business financial records, financial reports, savings and investments so that business actors and craftsmen have the opportunity to seek capital.

4.3.3 *Product diversification to support the marketing of Udeng Pacul Gowang*

Udeng Pacul Gowang is still limited to use by men in combination with regional clothing, batik, or the like. No one has made a new breakthrough for non-formal clothing designs using Udeng Pacul Gowang. In addition, there needs to be a review in terms of women's fashion when men use Udeng. So that there can be a matching fashion combination. For example, product diversification in the form of a women's scarf that reflects a gowang hoe. This can be realized if there is synergy and collaboration between producers, fashion enthusiasts, and humanists.

4.3.4 *The Sidoarjo Regency Government held a Udeng Pacul Gowang creation competition for young people*

According to the results of research by Rahayu (2011), various efforts made to move the fashion industry are the existence of educative directions, awards for creative people, and the creation of a conducive business climate. In order to improve literacy culture and encourage creativity in the younger generation, the Sidoarjo regency government can make a Udeng Pacul Gowang creation competition aimed at elementary / middle / high school students. This creation competition can encourage the spirit of culture among young people at the local, national, and international levels.

4.4. *Strategy W-T (Weakness – Threat)*

4.4.1 *Carry out product development and quality*

The cultural heritage in each region has different characteristics. As is known, Udeng is not only found in Sidoarjo Regency but also in several other areas such as Jember, Banyuwangi, and Surabaya. Udeng Pacul Gowang has its own uniqueness compared to other udeng because it has a shape that resembles a tongue on the back and antennae on both sides of the top. To perfect this uniqueness, it is necessary to increase the type of batik cloth used so that consumers are more comfortable without feeling hot or dizzy but still fashionable. In addition, it is necessary to create various types of head sizes and give custom nametags to purchased Udeng so that consumers do not have to worry about being confused with someone else's.

4.4.2 *Government assistance in strengthening capital to increase production output*

The Sidoarjo Regency Government, through the Industry and Trade Office and the Youth Sports and Tourism Office, can channel grant funds to MSME owners, including Udeng Pacul Gowang producers,

to maximize the businesses they run. The government can help Udeng producers register trademarks, intellectual property rights, or industries so that they can take part in different funding competitions put on by local governments and non-government groups. The government can also provide subsidies for business operations, such as taxes or appropriate technology assistance, to make the production process more effective and efficient.

4.4.3 *Encouraging creativity, innovation, the unique use of Udeng Pacul Gowang to be combined with Indonesia's socio-cultural diversity so as to form a new trend for consumers*

New fashion art can be made by collaborating with the fashion community, which values local knowledge. For example, currently, there are no women's accessories to harmonize with the use of Udeng by men. For this reason, Udeng Pacul Gowang producers can help create additional accessories for women without sacrificing the value of Pacul Gowang. This product diversification is useful in order to increase the value of Udeng Pacul Gowang and reach a wider market share. Business innovation is needed to achieve long-term sustainability. For now, Udeng Pacul Gowang is still used as a cultural product for formal activities in the Sidoarjo area. Udeng Pacul Gowang does not yet have a clear position among young people. For this reason, it is necessary to have young designers who help create trendy and polite usage trends by using Udeng Pacul Gowang as one of its attributes.

4.4.4 *Motivating the millennial generation of Sidoarjo Regency to make campaign videos using Udeng Pacul Gowang through social media*

Appreciation of cultural heritage occurs not only because of its communicative power but also because of its economic strength through sustainable development and the promotion of creative industries (Pagan et al., 2020). The influence of social media in the era of Revolution 5.0 is so great. Through Reels, Instagram, or Tiktok videos, they are able to influence consumers' decisions. Therefore, with digitalization, efforts need to be made to invite the millennial generation of Sidoarjo Regency to be involved in promoting Udeng Pacul Gowang products through campaign videos.

5. **Conclusions**

The important role of SME directly contributes to the socio-economic dynamics of any country by providing more opportunities in various types of job creation, empowerment of women, expansion of rural livelihoods, poverty reduction, contribution to GDP, business development, and enhancing entrepreneurial institutions. SMEs engaged in the creative industry of cultural fashion such as Udeng Pacul Gowang products are industries that have global competitiveness. This is because in addition to being able to create jobs, UKM Udeng Pacul Gowang seeks to maintain and preserve cultural heritage. Udeng Pacul Gowang using batik cloth typical of Sidoarjo Regency is considered a product of state identity that can also be used as a soft tool of cultural diplomacy. The role of government, private sector, academics, and practitioners is very much needed for the development of this business potential.

The government through policy regulations made can open up a very wide opportunity for UKM Udeng Pacul Gowang in expanding its market share. For example, by making udeng as a fashion attribute when working for government employees, government souvenirs, and promotional activities on a regular and consistent basis. Academics and practitioners, in this case the craftsman Udeng Pacul Gowang, fashion activists, the youth fashion community can collaborate with each other to conduct research and innovation for sustainable business continuity. In connection with the implementation of Merdeka Learning, the younger generation can practice directly in understanding the business and culture of Udeng Pacul Gowang, so that it is expected to be able to regenerate Udeng Pacul Gowang craftsmen. The current support of the Sidoarjo Regency government requires evaluation and follow-up in supporting the success of local culture-based products such as providing capital grants, soft skills training and providing appropriate technology to be able to answer challenges in the digital era.

The weaknesses of this study include a small sample size and limited geographic coverage, which may not accurately represent the larger population and diverse cultural context of Indonesia. Therefore, future research could benefit from larger and more diverse samples, as well as broader geographic

coverage to improve the generalizability of findings. Additionally, this study did not explore in-depth the potential impact of cultural appropriation on the promotion of Udeng Pacul Gowang, which could be a useful area for further research. Further studies could also explore the role of government policies and support in promoting and preserving local heritage products such as Udeng Pacul Gowang.

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