

Chapter 1: Introduction

Batik is a folk art that uses the crafting technique of wax-resist dyeing decorated to a whole cloth. It was first originated from Java where the word *tik* means to dot in Javanese. In Indonesia Batik was part of an ancient tradition, where people in the past would use them for important ceremonial purposes. Each design created has its own philosophical meaning, inspired by deep cultural elements by the artisans. Today, Batik is more commonly worn for celebration, office meetings, and other formal occasions.

Batik is an example of an Indonesian cultural product heritage that the Indonesian government tries to promote for its tourism and cultural campaign. Batik Keris core values synch with government mission which is to introduce Batik to international audience and make Batik as one of the source of economic income to propel Indonesia economic development. Batik Keris is one of the most well know Batik brand in Indonesia, it is at the fore front of introducing Indonesian Batik for international audience.

Currently Batik Keris holds the largest market share in Indonesia. Batik Keris is a privately owned company that was first established in 1947. The company has been handed down from generation to generation for more than 90 years, starting from home-based Batik products (home industry) to large garment factories and branch shops throughout the archipelago. From the beginning of its establishment Batik Keris strongly emphasized on "quality". Batik Keris does not only focus on making high quality products but also affordable high-quality products to reach larger target market audience. The company philosophy is to "preserve the culture of the archipelago". In accordance with this vision "Batik Keris" aims to preserve the culture of the archipelago through the local design and products (collection and craft) of the archipelago culture and making it affordable. Batik Keris also strives to create modern Batik products without leaving the unique characteristics of tradition. Among them are collections of silk, primisima, polyester, etc., with up to date models for men, women, teenagers and children that can be worn by different demographics background.

1.1 Reason to Conduct Research

Batik Keris have established branches of stores nationwide. They have been following up with the latest trends to keep up with modern styles that appeal to the mass market. They have set up many stores in both medium to large size malls and airports; providing easy access to their products. They have long been established and have experience ups and downs, however through all of that they manage to formulate ways to survive in the market. This research aims to provide comprehensive analytical view of their marketing strategy to survive that can be hopefully being used as a blueprint for other Indonesian Batik business owners to formulate and effective marketing strategy. Excellent marketing strategy is especially needed with the current Batik market in Indonesia as both international and national demand dropped. As Indonesia market competition is becoming more concentrated and economy is constantly facing uncertainties, many local Batik business owners went bankrupt and are forced to leave Batik market to work at other foreign factories or companies. Batik is a national cultural heritage, if this situation continues; Indonesia will lose its competitive advantage of their highly valuable national treasure. This research aims to provide insightful information with one of nation's best performing Batik brand as a platform to revolutionize traditional Batik making, to enhance production process, to encourage product innovation and creativity of Batik artisans and to formulate an effective marketing plan to locals Batik business owners.

1.2 Research Methodology

This research started with a qualitative phase in which it aims to identify the external and internal marketing environment of Batik industry and Batik Keris Company. For external marketing analysis, the data will be collected from secondary data and for the internal marketing analysis; both primary and secondary data will be used to support the argument. Secondary data is collected from past journals articles, secondary interviews with the supervisors of Batik Keris outlets and statistics from the government and other research journals while primary data is collected from focus groups discussions and online questionnaire that is handed out to 150 respondents.

After compiling all the data, this paper will use excel to make graph and charts to simplify findings and to understand inter-correlated factors between subjects in order to identify relationship and derive objective conclusions. The findings will be integrated

together with the formulation of marketing strategy using the STP (Segmentation, Targeting and Positioning) model. The findings will also be integrated together with the implementation of marketing strategy using the 5 Ps (Product, Price, Place, Promotion and Planet) of the marketing mix. Data collection method involves gaining information from the retail store supervisor of Batik Keris in Palembang about their marketing strategies, current trends of consumer demand, problem and challenges they faced. The online questionnaires will be conducted for Indonesian people taking differences in their demographic and geographic background to collect information about consumer behavior and perception towards both Batik and Batik Keris brand as one of the leading Batik Company in Indonesia.

1.3 Data Collection

The marketing plan will involve analysis of consumer demographic, geographic and behavioral pattern, therefore primary data collection will involve structured questionnaire to obtain elements from the analysis mentioned. Supporting data for demographic information will includes gender, age, occupation and willingness to buy. Supporting data for geographic information includes buying location and the city where respondents live. Supporting data for behavioral pattern includes the desired promotion type, buying frequency, the need of CSR, etc. The information from the questionnaire will be organized in charts, diagrams, graphs and model tables to provide statistical view of the results; and each of the statistic medium will be analyzed and concluded accordingly.