



THE URGENCY OF COMMUNICATION MEDIA (E-COMMERCE) IN
INDONESIA'S CREATIVE INDUSTRY AS AN EFFORT TO
INCREASE INTERNATIONAL BUSINESS COMPETITION:
A CASE STUDY OF THE FASHION INDUSTRY

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Abstract

The globalization era has disentangled the international economic competition and has stimulated the increasing economic interdependence of national economies worldwide through a rapid increase in the expeditious movement of goods, services, technology, and capital. The international industry and business arena has spurred cross-border business transactions and business access, and eventually have stimulated domestic industries, particularly the creative industry, to be able to compete in the international arena.

A competitive company is a company capable of implementing technology internally. One of the types of technology implementation in order to increase business competition and sale of products is the utilization of electronic commerce (e-commerce) that may help market a wide range of products or services, either physical or digital.

In this research, the author will try to describe and examine the importance of implementation of e-commerce communication media by the creative industry, particularly in the fashion industry subsector as a supporting factor in the international business competition. This research used the qualitative approach with the descriptive type of research aiming to make a systematic, factual, and accurate description of particular facts and characteristics.

Keywords: E-commerce, Communication, Media, International Business, Creative Industry, Fashion

Introduction

The euphoria of globalization has disentangled the international economic competition, moreover for developed countries and developing countries that are expanding their competitive business access.

Underlain by different resource potentials, each country often utilizes its comparative advantage or competitive advantage in performing its business activities. In face of this matter, certainly the logical consequence arising is the demand for domestic local industries to make use of existing

resources, specifically by optimizing local resources.

The creative industry, as an economic activity that truly reflects the potential and productivity of local resources, plays an important role in creating added values through the existence of creative products or services. There is no doubt that the creative industry potential is currently highly promising, with its foreign exchange contribution to the national economy. Indonesia's creative industry has become one of the most successful and promising industries since 2002, (the Ministry of Commerce of the Republic of Indonesia started to recognize the existence of this industry, resulting in the mapping of its contribution to the economy since 2002). During the period 2009 - 2015, the annual contribution of the creative industry to export was predicted to reach 12 percent and provide jobs for 7% of the workforce (Ministry of Commerce, 2005).

However, apart from all this, the local creative industry still faces competition constraints, specifically in respect of global market access. Information Technology serving as the supporting factor in creating an effective business communication has not been optimally utilized. This rests on the assumption that by means of information technology, it may automatically create corporate competitive advantage in international business.

One of the utilizations of information technology is the existence of e-commerce being a form of technology implementation to increase competitive business competition. With it, various corporate needs in relation to business communication activities such as the transfer of information and resources may be satisfied. Indeed, the subsequent impact is the capability of improving services to customers and increasing corporate competitiveness. This vital thing becomes the benchmark of domestic industries, specifically the industry creative, as we know that it has extraordinary

potential. If the local creative industry may optimally apply this form of technology, i.e. e-commerce in carrying out its business strategies, certainly the competitiveness challenge of the global industry may be addressed.

Electronic Commerce (e-commerce) greatly supports corporate improvement and development that may provide feasibility for the management to process various resources used. E-commerce supports the management in the marketing process in order to achieve objectives, as e-commerce may alter the form of services from originally one must come in person to the intended agency or by phone, but now the services become online anytime and anywhere, making it easier to handle each transaction.

Literature Review

International Business Communication

The rise of business world or other human life sectors will not be successful without the existence of communication. In principle, communication may alter the opinions, attitudes, and behaviors of the society. Initially communication was defined as a one-way communication in the business world or other sectors. In line with its development, communication is defined as a two-way process between business actors. Not only that, the business world development is also supported by the rapid technological advancements.

To put it simply, it may be said that Business Communication is defined as communication used in the business world, covering various forms of communication, either verbal or non-verbal communication to achieve particular objectives. In the business world, an excellent communicator, in addition to possessing excellent communication skills (definitely), must also use various kinds of communication tools or media available to convey busi-

ness messages to other parties in an effective and efficient manner so that the objectives of conveying business messages may be achieved (Djoko Purwanto. 2006).

The international business communication activity concerns the promotion of business and product (export) that attempts to embrace both the government and the private sector of other countries to conduct business transactions (commerce, investment, travel, tourism, etc.). The actors in this activity include communicators that come from the business circle, while the communicatees usually come from the officials of government agencies, business circle, and the public in other countries.

The international business advertising media may be divided into three areas: 1) commerce or industry, aiming to reach distributors, attempting to convince them to add the stock of goods advertised and giving sales commission to sellers that have successfully secured purchase orders. 2) Consumer advertising, on the other hand, attempts to convince consumers to purchase brands or names of products advertised from shops or any other mercantile establishment that serves consumers. 3) Professional or ethical advertising attempts to influence professionals to write a review or suggestion in order for the publicized products to be used.

In a broader scope, business communication covers all issues related to "how to express the ideas" or "how to share the ideas in business". Based on such definition, it may be said that the business communication activity covers the forms of communication, which demand communications skills. Business communication requires the mastery and comprehension of use of all forms of communication, in receiving or sending messages.

In relation to international business communication, it clearly involves cross-culture communication, which is a form of

communication performed by two individuals or more, each having a different culture due to geographical differences in domicile. In this matter, communication may occur at the interregional, interterritorial, or international level. Max Weber, the father of modern sociology, in his writing, says that "If we learn something from the history of economic developments, it is the culture that makes a difference". Although the Global Crisis and World War II slowed down commerce worldwide, when either of these ended, globalization flourished. The increasingly advanced transportation, communication technology and product distribution systems have brought forth what Cairncross referred to as the "death of distance" with the decreasing or disappearing hindrance of time and space. The importance of national boundaries has lessened during a period marked with multi-national companies, mergers, licensing agreements, foreign investments, and offshore productions. This results in economic interdependence of nations. This interdependence becomes part of the global economy where one day of global trading today is equivalent to one year of trading in 1949. This global interdependence was clearly demonstrated in January 2008, when the world saw the effects of the U.S. Stock Market collapse (Larry A. Samovar. 2010).

Developed countries and developing countries are now directly bound to the system of international economic interdependence and most countries have at least one national asset needed by other countries. International interdependence in this century is not limited to commerce and finished goods. However, communication technology has enabled the services industry to give contribution. As stated by Hanvanich "the pressure to establish and maintain the benefits of global competition has changed the way companies do business." Likewise, Thomas has the same view in his writing, "almost all currently existing businesses are global businesses." Com-

prehension of how to do business in a manner that accommodates different cultural norms. In this new market, knowledge of cultural differences, cross-culture teamwork and multicultural collaboration constitute vital factors for the success of an organization.

Cross-Culture Communication

The relationship between culture and communication is deemed important to be understood in order to comprehend cross-culture communication. Cross-culture communication occurs when the communicator is a member of a culture and the communicatee is a member of another culture. In this situation, the issue arising is the encoding of a message in a culture and the decoding of such message in another culture.

Cross-culture communication is communication used in the business world, either verbal or non-verbal communication, with due regard to the cultural factors of a region, territory or nation. In this case, the meaning of cross-culture does not solely constitute foreign cultures but also cultures growing and developing in various regions within a national territory. Communication is assumed to be related to the behavior and fulfillment of human needs for interactions with other human beings. These interactions are performed through the exchange of messages serving as a bridge to unite human beings, who would be isolated without any communication.

The free trade and globalization era marked with the increasingly expanding products and services, including communication technology, cause the exchange of information from one country to another country to be more flexible, as if the world were no longer bound by boundaries that limit the territory of a nation. In behaving towards the free trade and globalization era, large companies operating domesti-

cally in the sectors of manufacturing, exploration or services engage foreign consultants to help develop their companies. Likewise, there are also large domestic companies that expand their business to various countries.

Given the current developments or trends, cross-culture business communication becomes crucial for the established business harmony amongst them. However, it is necessary to have a mutual understanding between two individuals or more in performing cross-culture communication, either in writing (including via internet) or verbally (face-to-face).

In the globalization era with its highly advanced communication technology and transportation technology, the roles of multicultural persons are vital. According to Dedy Mulyana in his book "*Komunikasi Antar Budaya*", one of the roles is helping resolve multicultural conflicts and serving as mediators for people of diverse cultures. In addition, according to Wilbur Scramm in the book "*Komunikasi Antar Budaya*" it is stated that the role of multicultural persons is developing a cultural bridge. In respect of international business, human beings as business actors are expected to be able to build a broader network and apply e-commerce as one of the factors for international business success.

The increasing multitude of economic cooperation and agreement patterns in various world regions today will make cross-culture business communication more important. Today, there are several economic cooperation patterns in various world regions such as the ASEAN region (AFTA/ASEAN Free Trade Area), the Asia-Pacific region (APEC), the North American region (NAFTA/North American Free Trade Area), the Canadian region (CFTA/Canada Free Trade Area), the European region (EFTA/European Free Trade Area), and the Latin American region (LAFTA/Latin American Free Trade Association).

Given the increasingly open window of opportunity for multinational companies to enter the territory of a nation and driven by the increasingly rapid advancements of communication and information technology, then that is the time when the need for cross-culture business communication becomes increasingly more important.

Globalization, World Trade and International Business

Globalization is a common term in many languages and widely used in various disciplines. Some use it positively and some do the opposite. Globalization is construed in diverse ways, depending on the point of view and objective of the user. Cameron views globalization as "a continuous integration of economies"; for Gannon, "Globalization refers to the increasing interdependence amongst governments, business companies, non-profit organizations, and individual citizens". From the point of view of an anthropologist, globalization is "Interconnectedness as a whole, a proof of the global movement of resources, trade of goods, labor, financial capital, information".

This relation, which underlies the essence of globalization, constitutes a product of "growth of the commercial world and the accompanying business activities; dramatic improvement of telecommunications, ease of data storage and transmission; increased facilities and business opportunity.

The capability of moving products, equipment, people, information and security at a fast pace to all parts of the world, without national or international boundary issues, has increased what is commonly referred to as international cooperation. Continuous technological advancements in the fields of transportation, communication, and data transfer facilitate the capability of transnational companies to put the

production process in areas that offer lower production costs, particularly labor costs, and swiftly move products and services to developing markets. This great cooperation is expected to continue to develop in the future and its growth holds important principles. One of the important principles is how an economy is managed and controlled. According to Mandel, "Globalization covers the capability of Washington to control the economies." Giant commercial companies now have an immense capacity to influence regions, states, and national governments, in the framework of open market and free market, capable of moving goods across national boundaries without any obstacle.

The Roles of Information Technology in the Global Business World

One of the significant changes in Indonesia in terms of internet usage, everyone can run their business via internet network, specifically the market place and trading. For example, how we make payments online, sell and purchase airplane tickets and particular events online, purchase computers, printers, books online and many more.

E-commerce facility in the internet is highly useful, particularly for businesspersons whose business is export-based. Businesspersons no longer need to bring sample goods to their clients abroad. For prospective buyers desiring to conduct transactions, they may purchase the goods as sample goods via internet. If they feel satisfied with the appearance of the goods, they may contact the e-commerce site.

Global business activities will bring in more people of diverse cultures, creating relationships that may be established through face-to-face interactions or virtual relationships via electronic devices. Technology will enhance the capability of everyone around the world to stay connected. There is no limit to communication. Re-

ardless of the time and space that enable human beings to interact with others.

Information Technology (IT) is defined as a collection of technological components commonly regulated in an information-system-based computer. Computer is an effective tool to gather, manipulate, and distribute information. Information Technology has become a necessity for personal and professional growth, is capable of changing lives, and will continue to play a greater role in daily lives. Companies must focus on their strategies and overcome the business pressures. Given the huge competitive markets, organizations continue to find breakthroughs that will put them at an advantage over their competitors. IT helps organizations in many things such as strategic decisions, punctuality, and reliability. IT systems enable the management to increase the speed of decision-making, swift implementation of strategies, which change the relationship between customers and suppliers that may drastically increase production and the rating market (Novie Wirawan Arief, 2011).

Information Technology involves the use of information to create products and services. Information Technology includes the use of computer to transfer interdepartmental information within a company and the use of internet to provide information to customers. Information Technology only makes up 8% of the total output generated in the United States of America, but more than one third of the output growth is generated in the United States of America. Based on the results of study conducted by the Ministry of Commerce of the United States, it was estimated that half of the whole U.S. workforce would be employed by industries that create information technology. The study also found that information technology decreased production costs and created lower product prices.

Information Technology booming has become a great encouragement for businesspersons. When computer technology and communication technology unites, accompanied with seemingly lower costs, businesspersons acquire tools that may aid them to compete with large companies. Information Technology aids businesspersons to work in a fast and efficient manner, provide attentive consumer services, increase sales and project a professional image. Advancements in information technology have also created demands for new products, and businesspersons have risen to face the challenge Boone and Kurtz, 2006). Information Technology greatly helps human beings to identify and solve problems. The main usage of information technology is helping to solve problems with high creativity and to make human beings more effective in its utilization. A series of domestic and foreign events also slows down the recovery of national economy, business certainty and business climate erode, and business risks are increasingly higher. Eventually in several years later, there will be increasing cases of company closures and bankruptcies (Novie Wirawan Arief. 2011).

One of other technology-related services is e-business, also known as e-commerce, which is the use of electronic communication to create or sell products and services. E-business includes business transactions such as sale via internet or interactions between a company and its suppliers via internet. In fact, many people use the term information technology and e-commerce interchangeably (Jeff Madura. 2007).

E-Commerce as Business Communication Media

Electronic commerce (EC) is a new concept that may be described as the process of selling and purchasing goods or services on the World Wide Web or the sale & purchase or exchange of products, ser-

vices, and information through the information network, including the internet. Thus, some perspectives may be defined as follows:

- From the communication perspective, EC is a delivery of information, products/services, or payment through the phone line, computer network or by other electronic means.
- From the business process perspective, EC is a technology application towards automation of transactions and corporate workflow.

A number of people regard the term commerce as a transaction conducted amongst collaborating companies. Many people prefer the term e-business, which refers to the broader definition of e-commerce, not only selling and purchasing, but also serving customers and collaborating with business partners, and implementing electronic transactions in an organization.

According to Suyanto (2003), the benefits that may be obtained from e-commerce for organizations are:

1. Expanding the market place to national and international markets
2. Reducing the costs of paper-based information production, processing, distribution, storage and search
3. Enabling the reduction of inventory and overhead by simplifying the supply chain and the "pull" type management
4. Reducing the time between capital outlay and receipt of products and services
5. Supporting reengineering process business efforts
6. Minimizing the internet telecommunication cost that is less expensive than that of VAN
7. Faster access to information

As for the benefits perceived by companies, specifically in favor of customers,

it has been shown that e-commerce may give the following benefits:

1. Gaining new customers. The use of e-commerce allows companies to gain new customers from either the domestic market or the foreign market.
2. Attracting customers to retain them. E-commerce may create customers loyal to particular products / services.
3. Enhancing the quality of services. The existence of e-commerce allows companies to enhance the quality of services by having more personalized interactions, thus capable of providing information as desired by consumers.
4. Serving consumers with no time limit. Customers may conduct transactions and utilize the services of a company without having to be bound by time limit.

Companies Successful with e-Commerce

The computer company Dell has achieved success through a tortuous journey. It started with the failure of selling computers by mail orders met with fierce competition from Compaq, which resulted in USD 65,000.00 in loss within a period of six months, nearly bankrupting the company. However, the computer company Dell finally used e-commerce as its secret weapon, eventually leading it to become the largest PC makers in the world. Next, a company that has successfully used e-commerce is a second rank company that amazes the world, i.e. Wal-Mart, the largest retail company. Becoming the largest retail company in the world is not always a guarantee for success. Fierce competition caused large retail companies, such as Mont Gomery Ward, to go out of business due to bankruptcy. Wal-Mart realized the importance of innovation. Later on Wal-Mart used information technology (e-commerce), immediately arose and swiftly responded to the market fluctuation (M. Suyanto. 2003).

According to Era Kitty Hawk, he said that in 1997, the whole volume of business sale transactions was conducted online. Also based on the Forrester research, e-commerce may affect the commercial advantages for both the consumers and the business world. The success of a national economy is greatly determined by advertising activities in order to support the sale business, which determines the industrial viability, the creation of jobs, and the return on investment from all money invested. This is evidenced by the fact that developed countries or world's top companies are always accompanied with aggressive advertising activities. World's 50 top companies spent US\$ 49.3 billion on advertisements for 56 countries in 1996. Some was spent on internet ads (Saiful Ahmadi. 2011).

Creative Industry

The creative industry is projected to become a dominant economic sector following banking and processing industry. In resource-poor developed countries, the creative industry is prioritized, even over banking activities. The creative industry is an industry heavily relying on high creative power with a touch of innovation to create new and quality products. Some of the small groups possessing skills and innovative ideas became pioneers of the creative industry. The creative industry produces works through ideas by creating added values through the works produced with a high level of effectiveness and efficiency. Through quality, unique products, and approaches that are more acceptable to consumers, these will boost increased revenues and the turnover of national economy. In view of the fact that the creative industry is a reflection of small and medium enterprises, which give real contribution to the regional economy, i.e. the creation of jobs, decline in unemployment rate, and growth of the locals' economy (.Eddy Soeryanto Soegoto. 2009).

Not only viewed from the economic perspective, the creative industry is also capable of giving positive contribution to and have impact on several other aspects of life, such as improved national image and identity, growing innovation and creativity of national subjects, being an industry that uses renewable resources, and positive social impacts. For the reasons above, the creative industry should appropriately become an appealing industrial sector to be developed with a mature development concept Indonesia Division (Ministry of Commerce of the Republic of Indonesia, 2008).

Research Method

This research used the qualitative approach with the descriptive type of research aiming to make a systematic, factual, and accurate description of particular facts and characteristics. Thus in this qualitative descriptive research, the writer describes how communication media (e-commerce) may increase international business competition.

According to Satory (2009: 22), the qualitative research method is a method emphasizing on the quality or the most important characteristic of particular goods / services. The most important characteristic of particular goods / services in the form of social event / phenomenon / symptom is the meaning behind the event. The qualitative research may be designed to give its contribution to practical theories, policies, social problems, and actions. In this research, in order to support the methods above, the researcher used documentation, i.e. any written materials relevant to the research. Documents in the form of archives were obtained from companies or information, news and articles available in the mass media.

Discussion

Domestic Creative Industry and

Business Competition

The creative industry has a fairly large potential and contribution, i.e. capable of giving significant contributions in terms of GDP, workforce absorption, exports and the number of companies involved. This creates the optimism that the creative industry may be made into one of the strategic industries to address short-term and medium-term basic economic problems: 1) relatively low economic growth in the aftermath of the crisis (averaging 4.5% per year); 2) high unemployment rate (9-10%), 3) high poverty rate (16-17%), and 4) low competitiveness of industries in Indonesia Ministry of Commerce, 2005).

Looking at such conditions, the motion of creative economy should appropriately be developed and empowered. The support of various relevant entities, i.e. the government and the society themselves may truly be optimized, particularly in managing local resources and definitely with the support of clear infrastructure. As previously mentioned, the industrial competition becomes one of the issues hitting the national creative industry. The government has made efforts to design a foreign promotion and commercialization service system in order to support competition in the global arena. The objectives thereof are the creation of a clear mechanism for business actors when promoting and selling their products (commercialization) abroad, as well as better efficiency and effectiveness of the promotion and commercialization.

In the blueprint of policy on creative industry development, the National Ministry of Commerce states that there are some competition commercialization activities in the global market, inter alia: 1) Studying the strengths and weaknesses of the promotion and commercialization system mechanism; 2) Designing a measureable and easily-evaluated promotion and com-

mercialization service system; 3) Socializing the promotion and commercialization service system to business actors and the government; 4) Evaluating continuous improvements to the designed promotion and commercialization service system (Ministry of Commerce of the Republic of Indonesia 2008).

The globalization process has become a highlight and focus of concentration on the economic studies in each country. Thus competitiveness constitutes a criterion that determines the success of a country in international trade. According to the world competitiveness rating agency, the IMD World Competitiveness Yearbook 2006, Indonesia ranked sixtieth (60th). The IMD World Competitiveness Yearbook (WYC) ranks and analyzes the capability of a country in creating and maintaining the environment where companies may compete with each other. Competition will make a country more competitive than other countries (Yohan Naftali, 2006).

Here we may see that the global industry competitiveness has directly encouraged the local industries to move and maximize the available potentials. Despite being acknowledged as having great potentials, the local industries, particularly our creative industry is judged as incapable of aggressively promoting the products created. Improvement of the competition climate remains inseparable from the support and role of the government, such as fostering and maintaining an open and efficient environment in both the domestic market and the global market.

Indonesia's aviation pioneer, PT Garuda Indonesia, Tbk (Garuda Indonesia), also applies the development of e-commerce used by domestic aviation industry in Indonesia to support its business value. Garuda Indonesia applies e-Commerce with the purpose of increasing the competitiveness of its services in order to create cheaper costs, faster service and

desirable quality by changes in customer behavior and other external environments. Garuda Indonesia is a producer that markets its services in general via website and provides services on demand, where consumers make the first initiative, e.g. booking online, which is then responded by Garuda Indonesia. In addition, Garuda Indonesia also uses website as promotion media, such as new services, as well as tourist areas. This will help prospective passengers to understand what is offered by Garuda Indonesia.

(<http://dewisuryani.blogstudent.mb.ipb.ac.id/files/2011/07/E-commerce-PT-Garuda-Indonesia-Catleya.pdf>)

E-Commerce as Global Communication Business Support

Each company definitely expects successful business by gaining sales and profits in significant amount. In this case, companies definitely need an effective pattern of business communication in order to support their business strategies or expansions, specifically for reaching the access to global market. Communication media becomes a decisive tool in the successful sale of a product. E-commerce as a tool that may be used in the business communication process has significant benefits to face the competitive business world. One of the benefits is marketing a wide variety of products or services, either physical or digital. In addition, no less important is the creation of a more integrated communication process in which various parties related to companies such as investors, consumers, and the government will take part.

Entrepreneurs with sizable investments (Small and Medium Enterprises) may start up their business easier by accessing the internet to reach customers around the world. Some Indonesian companies, for example, became members of ProNetLink to promote their products in e-commerce services. E-Commerce in the

sense of internet business is how to use internet to establish a closer relationship with customers and business partners.

Through the utilization of information technology, it may be seen as well that the hindrance of distance and constraint is no longer an issue. In media, which in this regard may be made into a form of support for the development of a more quality and highly competitive creative industry? As stated in his book "*The World is Flat*", Friedman says that information technology constitutes an important part as an indicator that determines the operation of international business (Thomas L. Friedman. 2005). The concept of business is no longer restricted to local companies but also the development of international network into the realized trade distribution. Another opinion that also strengthen the importance of technology application, i.e. in Manardo (2007) where via internet network, a new concept of consumer and market unrestricted by space and time is created, consumers gain the ability to conduct transactions transcending geography, time and space. The results are business opportunities that create a very different consumer relationship.

If we observe and compare the patterns or strategies of the creative industry in several countries, the utilization of information technology is truly formulated such that the channelization of creative ideas is truly accommodated. Similarly, the technology is also used for building an effective business network to expand the market capture. For example, the flooding products made in China take the local market by storm; the key to success of the rapid development of the Chinese industries is technology-based support. It is in line with the research conducted by Nurrahim (2006), which states that companies applying global strategies and using flexibility undertaken by their international network will increase their competitive advantage. Likewise, the result of study

conducted by Rosenbloom (2003) states that “*internet based e-commerce would replace all of people-centered communication process*”. This means that the efforts to be able to expand network, i.e. the use of e-commerce into something crucial and worthy to be developed, specifically our domestic creative industry.

Given the statement above, as well as looking at the euphoria of the fashion industry both local and international, there is nothing wrong if we try to compare the application of online business media already carried out by the fashion industry actors. Christian Louboutin, for example, one of the fashion designers who, via his online site, is able to demonstrate his position as the designer of shoes for world celebrities. Another interesting point to make is that the site has a sense of humor that makes its visitors stand viewing it for a long duration, thus it is no wonder that his online site is one of the 10 most visited websites in the world. (<http://www.christianlouboutin.com/>). Furthermore, who does not know Alexander McQueen, a designer with unquestionable works. Via internet media, he makes use of it by creating a truly informative website for fashion lovers, and the website is also one of 10 most informative fashion websites. (<http://alexandermcqueen.com/>)

If we observe and take a positive lesson from the examples above, surely it is not impossible for domestic fashion industry to do the same. Indeed, several national designers have also utilized online sites to exhibit their works. However, they must relearn the strategies to attract more fashion lovers to visit their sites. Considering that, the potential of human resources, more precisely our designers, is no less great than that of foreign designers. Currently many of our young designers whose works have gone international and have been able to compete in the global market, e.g. Ardista Dwiasri or Carmanita whose works have adorned various world-

renowned magazines. Thereby, marketing and branding strategies via online media should be an important thing that must be prioritized.

Global Competitiveness of National Creative Industry

Given the increasingly mature internet and web technology, this will definitely increase the corporate capability in respect of business communication and in respect of information sharing, in addition thereto, there are also various valuable resources. However, some of the local industries, particularly creative industry actors, have not applied all of these maximally. According to Almilialia, in the research on the application of e-commerce in corporate business competition, the use of e-commerce in Indonesia is highly limited. Based on the initial survey, relatively few companies use e-commerce as a business tool. Thus, its usage as a competitive advantage tool has not been much realized. National creative industry actors must be more mature in relation to mastery of technology by remaining aware of the changing trends of such technology. This is as expressed by the Minister of Tourism and Creative Economy Mari Elka Pangestu that the creative industry still has obstacles, one of which is the issue of technology. According to her, in order to be able to compete globally, the creative industry needs to be supported by an adequate technology to enhance creativity on which it relies. The role and support of various parties are also greatly needed, academicians, business actors, and of course the government in this regard may move in a synergic manner to create the competitiveness and endurance of national economy. Seeing also that based on the results of discussion on the creative industry development through the World Bank's Focus Group Discussion, the obstacle still faced by the creative industry is the low competition level. This emerges given the mini-

imum number of distribution channels and the use of technology.

Fashion Industry Potential

John Howkings discovered the presence of creative economy wave after he had realized that for the first time in 1996 the U.S. copyrighted works had selling values as did other exports such as automotive, agriculture and aviation. Then emerged 15 industrial categories falling into the scope of creative economy, i.e. advertising, architecture, fine arts, handicrafts, design, fashion design, movies, music, performance arts, publishing, research and development, software, toys and games, TV and radio and video games. The market value of these fifteen creative industrial sectors was US\$2,2 trillion in 1999 as shown in Table 1. The global creative economic value was predicted with the assumed growth rate of 5% per year to grow from US\$2,2 trillion in January 2000 to US\$6,1 trillion by the year 2020 Togar M. Simatupang).

When observing the global market value for fashion, the portion of fashion design is relatively small (0.05%) as compared to that of other sectors. From there, the opportunity for domestic fashion industry may be seen. With the assumed growth rate of 5%, then the global market value for fashion was predicted to be around 16.8% in 2006. According to the Minister of Commerce, Mari Elka Pangestu, the growth of Indonesia's creative economy reached 7.3% in 2006, higher than the growth of national economy of 5.6%. The amount of contribution to GDP reached IDR 46 trillion (constant price), with the average percentage of creative industry contribution exceeding 44%. The seven largest contributors are 1) fashion, with its contribution reaching 29.85%, 2) Handicrafts, with its contribution reaching 18.38%, and 3) advertising, with contribution reaching 18.38%, 4) TV and Radio, 5)

Architecture, 6) Music and 7) Publishing and Printing (Togar M. Simatupang).

Based on the potential of domestic fashion industry above, we may definitely make use of the available global market opportunity, of the whole portion of fashion market value, it just contributes 16.8% of the entire sector, then the opportunity for our fashion industry to penetrate the global market remains wide open. If we compare the existing contribution value of the fashion industry to GDP, i.e. 13.7 trillion (29.85%), then if utilized and undertaken optimally, domestic fashion industry may be able to dominate more than 80% of the global market. Indonesia's fashion industry is one of the appealing industries. In addition, the booming factory outlets and distros in Indonesia also indicate a subsector that has a strong foundation in Indonesia. They have quite surprising revenues, some even capable of gaining US\$75-100 thousand/month.

In consideration of the foregoing, the fashion subsector and the activities relevant thereto, if they can be developed properly as a creative industrial subsector, they will be able to demonstrate their potential in the global market. In particular, given the increasing promotion and commercialization efforts by means of information technology, such efforts will ease access to the global market significantly. Thus, it is necessary to accommodate the facilities and infrastructure thereof, from making explicit rules up to creating conducive situations for the subsector to develop. In addition, the support of development is definitely followed by socialization to use domestic products.

Another e-commerce application in business is in the medium cooperative unit of woven songket in Pandai Sikek, Tanah Datar District, West Sumatra. Pandai Sikek is one of the "nagari" or "villages". Nagari is a region or a group of kampongs led or headed by a chief. Pandai Sikek

Nagari is an administrative division of X Koto Subdistrict. It is located about 40 km away from the centre of Batusangkar City towards Bukittinggi (via Padang Panjang). The region is known for its woven cloth products, i.e. Pandai Sikek Woven Cloth. Almost each household in the area of Pandai Sikek produces woven cloth, the craft of which is handed down for generations.

In the course of its development, Pandai Sikek is no longer widely known abroad due to the presence of many brokers who reap multiple profits from Pandai Sikek. The brokers purchase goods from Pandai Sikek at a cheap price and sell them to foreign or domestic tourists at a high price of up to eight times the purchasing price. In addition, the tourists are only introduced to songket cloth already purchased by the brokers from the original artisans. This makes the tourists unaware of the production process and origin of the

songket cloth. The tourists only know that songket cloth comes from Padang, the capital city of West Sumatra. This condition is detrimental to the artisans of songket cloth in Pandai Sikek. In addition, the lack of marketing makes Pandai Sikek less known by most of domestic and foreign tourists. This condition is detrimental to not only the owners of medium cooperative unit in Pandai Sikek but also indirectly makes the livelihood of existing people of Pandai Sikek, particularly the womankind who make songket cloth weaving as their main livelihood decrease. Today, with the development of internet, the medium cooperative units of woven songket in Pandai Sikek need an online marketing and sale system with the purpose of facilitating buyers to purchase songket cloth or wood-carving without having to visit any shop

Table 1. Market Value of Fifteen Creative Industrial Sectors in 1999

No.	Sector	Global	The United States of America	The United Kingdom
1	Advertising	45	20	8
2	Architecture	40	17	2
3	Arts	9	4	3
4	Handicrafts	20	2	1
5	Design	140	50	27
6	Fashion Design	12	5	1
7	Movies	57	17	3
8	Music	70	25	6
9	Performance Arts	40	7	2
10	Publishing	506	137	16
11	Research and Development	546	243	21
12	Software	489	325	56
13	Toys and Games	55	21	2
14	TV and Radio	195	82	8
15	Video Games	17	5	1
	Total	2240	960	157

and enabling transactions as long as they are connected to the internet. This online sale is referred to as e-Commerce. E-Commerce is a new system or paradigm in the business world, which shifts the paradigm of traditional commerce to electronic commerce, i.e. by using Information and Communication Technology (ICT) or in other words internet technology.
(<http://blog.sivitas.lipi.go.id/blog.cgi>)

Conclusion

E-Commerce and the activities relevant thereto via internet may become the driving force to recover domestic economy by means of liberalization of domestic services and accelerate integration with global production activities. Since e-Commerce will integrate domestic trade with world trade, diverse forms of talks or negotiations will not only be limited to the aspect of world trade but also how domestic policies on supervision in a country, particularly the fields of telecommunications, financial services, delivery and distribution.

The globalization process now leads the economy to a strategic phase, particularly in capturing and utilizing the global market. All this is inseparable from the assurance and demand for the stabilized capability of the local industries, particularly the creative industry, to have their own positioning. To that end, it is necessary to have an effective business communication process capable of accommodating all forms of transactional activity or commercialization promotion needs.

Information technology in the form of e-commerce is a form of communication media that plays a strategic role in supporting communication service and convenience for all parties involved in business activities. The factor then determines whether an industry is capable of demonstrating its competitiveness in the industry arena. The national creative industry, par-

ticularly, the fashion industrial subsector as one of the economic sectors, in this regard must also be able to make use of the vital moment of globalization flow. With the utilization of existing local resources and with the support of adequate utilization of technology, the creative industry is expected to be able to demonstrate its existence and dominate the global market, so that the vision of "Quality Indonesian nation with a creative image in the eyes of the world" may be realized in accordance with the government program in the framework of 2025 creative economy development.

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