

Potential and Efforts to Increase Competitiveness Creative Industries in Banda Aceh

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Abstract

Banda Aceh, which was recognized as a "Creative City" at the end of 2017, marks a significant milestone in the development of Aceh's creative economy. The city has become a hub for creative industries with culinary, craft, fashion, and performing arts subsectors as key drivers. This study uses the Diamond Porter and Kotler models, as well as quantitative methods with a multi-criteria approach, to identify the potential of the creative industry in Banda Aceh and formulate strategic steps to increase its competitiveness. The main findings conclude that there are three main criteria for strategy, namely opportunity, government role, and demand conditions, with important subcriteria such as technological tools, policies, and product variety. An optimistic strategy is set as a top priority to increase the competitiveness of the creative industry in the craft subsector in Banda Aceh. These findings provide practical guidance for industry players and local governments, support the development of sustainable creative industries in the region, and potentially contribute to further research in similar contexts.

Abstrak

Banda Aceh, yang diakui sebagai "Kota Kreatif" pada akhir tahun 2017, menandai tonggak penting dalam pengembangan ekonomi kreatif Aceh. Kota ini telah menjadi pusat industri kreatif dengan subsektor kuliner, kerajinan, mode, dan seni pertunjukan sebagai pendorong utama. Penelitian ini menggunakan model Diamond Porter dan Kotler, serta metode kuantitatif dengan pendekatan multi-kriteria, untuk mengidentifikasi potensi industri kreatif di Banda Aceh dan merumuskan langkah strategis untuk meningkatkan daya saingnya. Temuan utama menyimpulkan bahwa ada tiga kriteria utama untuk strategi, yaitu peluang, peran pemerintah, dan kondisi permintaan, dengan subkriteria penting seperti alat teknologi, kebijakan, dan variasi produk. Strategi optimis ditetapkan sebagai prioritas utama untuk meningkatkan daya saing industri kreatif di subsektor kerajinan di Banda Aceh. Temuan ini memberikan panduan praktis bagi pelaku industri dan pemerintah daerah, mendukung pengembangan industri kreatif berkelanjutan di kawasan ini, dan berpotensi berkontribusi pada penelitian lebih lanjut dalam konteks serupa.

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Article history

Received 2024-09-06

Accepted 2024-10-22

Published 2024-11-30

Keywords

Creative industry;
Competitiveness;
Creative city;
Multi-criteria analysis;
Optimistic strategy.

Kata kunci

Industri Kreatif;
Daya Saing;
Kota Kreatif;
Analisis Multi-Kriteria;
Strategi Optimis.

1. Introduction

The creative economy is one of the sectors that has great potential to improve the economy in a region. The creative industry is defined as an industry that is based on individual creativity, skills, and talents to create products and services that have economic value (Che Arshad and Irijanto, 2023). This sector covers a wide range of fields, such as art, design, music, film, and information technology. The creative industry does not only include the manufacture of art or entertainment products alone, but also involves the development of new ideas, designs, and innovative concepts that can generate economic income and jobs. Creative industries have the potential to boost economic growth, enrich culture, and create innovative communities (Liang and Wang, 2020).

The creative industry has a very positive impact on the economy and society as a whole. Through innovation and creativity, the industry creates significant jobs, produces products and services with high economic value, and advances international trade (Purnomo, 2016). In addition, the creative industry is also a stage for artists, designers, and creative producers to express cultural identities and traditions through art, music, and other forms of creative expression. Its profound influence on tourism, education, and technology makes the creative industry an important pillar in sustainable economic development, improving the quality of human life, and enriching a nation's cultural heritage (Jelincic, 2021).

In Indonesia, the creative industry has become one of the important economic sectors in supporting national economic growth. Based on data from the Indonesian Creative Economy Agency (BEKRAF), in 2022, the value of Indonesia's creative economy reached IDR 1,107.4 trillion, or grew by 5.03% from the previous year. In addition, the creative economy has a significant impact on labor absorption. Based on data from the 2018-2021 National Labor Force Survey (Sakernas), there has been a significant increase in the number of workers in the creative economy sector in Indonesia. Recorded an average growth of 5.29 percent per year, in 2021, the percentage of workers working in the creative economy sector reached 16.71 percent, showing a substantial contribution to the labor market (Isnawati et al., 2022).

Meanwhile, one of the provinces that has great potential for the development of the creative industry is Aceh. Especially the city of Banda Aceh shows huge potential, especially in the culinary and handicraft subsectors (Toarik, 2022). Products such as songket drawstring bags, wallets, sarongs, and clothing with Banda Aceh's signature motifs are of high quality and competitiveness, allowing it to compete in the global market (Damkar, 2020). However, an evaluation from the Aceh Department of Industry and Trade showed a low growth in the creative industry, only 1.9%. Factors such as the low interest and creativity of SME artisans and the weakening influence of global economic growth affect this (Renja-Indag, 2020). Therefore, the empowerment of SMEs, especially in the local creative industry, must continue to be improved to increase the competitiveness of their products in the national and international markets.

In the context of the creative industry in Banda Aceh, there is a contrast between great potential and product quality with low industrial growth. An in-depth study needs to be carried out to identify effective efforts to increase the competitiveness and competitiveness of the creative industry in this city. Several previous studies have been conducted related to the creative industry in Aceh. However, there has been no specific research that examines strategies to increase the competitiveness of the creative industry in the area. For example, research Friesca et al. (2023) discussed the significant impact of the downstream process of the creative industry on the tourism industry in Aceh. Meanwhile, the research Aswadi et al. (2018) identify creative industry products in Banda Aceh, investigate production processes (both traditional and using machinery), research the marketing channels used, and document issues related to business licenses and distribution permits. On the other hand, research conducted by Nanda (2017) discussed the development of the tourism sector with a sharia-based approach, which also plays a role in the growth of the creative industry in Banda Aceh City. Therefore, it is necessary to conduct an in-depth study to identify the potential and effective efforts in increasing the competitiveness and competitiveness of the creative industry in Banda Aceh, fill the existing knowledge gap, and provide a more detailed view to support the growth of the creative industry in this area.

The Resource-Based View (RBV) theory explains that a company's sustainable competitiveness comes from the company's resources and capabilities that have high value, are rare, difficult to imitate, and cannot be replaced by competitors (Barney, 1991). These resources and capabilities involve various aspects, including physical and non-physical assets, managerial skills, organizational processes, and the knowledge and information possessed by the company. Companies that are able to develop dynamic capabilities, i.e. specific processes to turn resources into competitive advantage, have an advantage in the competition (Eisenhardt and Martin, 2000). In this context, resources, dynamic capabilities, and knowledge are interrelated and critical in building a sustainable competitive advantage (Barney et al., 2001).

In analyzing the competitiveness of an industry, the Resource-Based View (RBV) theory emphasizes that the competitive advantage of an industry depends on the company's unique resources and capabilities. Referring to the Diamond model presented by Porter (1990) Identify important factors such as internal and external conditions, corporate strategy, competition, government roles, and opportunities. By combining the RBV theory and the Diamond Model, it is emphasized that competitive advantage lies in the company's unique internal resources and capabilities, along with the complex interaction between external factors involving the government, society, and industry players. Kotler and Maesincee (1997) Then enrich the concept of competitiveness by including the social capital dimension as a factor that affects competitiveness. Thus, the measurement of industrial competitiveness is further developed by taking these elements into account in a more comprehensive operational model. It reflects a deeper understanding of the factors that contribute to the competitiveness of an industry and shows that competitiveness analysis includes not only economic aspects, but also social and political aspects that are important in understanding and improving the competitiveness of an industrial sector.

The selection of strategies that refer to Porter and Kotler's diamond model is based on the understanding that the diamond model has been developed to improve competitiveness in a particular region and create a business advantage that differentiates it from its competitors (Porter, 1980). This is very relevant to be applied in the city of Banda Aceh, considering that this area has the potential for advantages such as in the culinary industry, handicrafts or crafts, and the fashion industry. In this study, the application of the Diamond model uses a quantitative method to ensure that the results of the study can be measured more objectively. Furthermore, it should be noted that the diamond model has never been used before in research to formulate a strategy for the competitiveness of the creative industry in Banda Aceh.

This research aims to identify the potential of the creative industry in Banda Aceh, as well as formulate strategic steps to increase the competitiveness of the creative industry in Banda Aceh. This research is expected to make a significant contribution, both in terms of theoretical and practical implications. Theoretically, this research is expected to develop science in the field of management, especially in building a conceptual model of strategies to increase industrial competitiveness. Meanwhile, practically, the results of this research are expected to provide concrete and applicable guidance for creative industry players, helping them increase the competitiveness of their products both in the national and international markets.

2. Method

This research is an explanatory descriptive research that aims to present a systematic, factual, and accurate description, description, or description of the facts, properties, and relationships of the phenomena being investigated, in accordance with the definition by Sugiyono (2012). The research was conducted in Banda Aceh, especially for creative industry players. To identify the potential of the creative industry in Banda Aceh, information was obtained through the observation of secondary data published by the Central Statistics Agency (BPS), the Creative Economy Agency (Bekraf), the Regional Government in Banda Aceh and other sources. Meanwhile, for the purpose of formulating a competitiveness strategy, data was obtained through the interview method and filling out a questionnaire to the respondents, which involved stakeholders who understood and were involved in the selection of a competitiveness strategy for the creative industry in Banda Aceh. The respondents consisted of 6 people, including officials from the Department of Industry and Trade,

officials from the Office of Cooperatives, and MSMEs, officials from the Tourism Office, academics/lecturers at the Faculty of Economics and Business, Syiah Kuala University of Banda Aceh, and a creative industry player in Banda Aceh.

The selection of these stakeholders is based on their understanding and knowledge of the conditions and competitiveness strategies that can be applied in the creative industry in Banda Aceh. The Department of Industry and Trade is responsible for the guidance, production development, and supervision of the industry in Aceh. The Cooperatives and MSMEs Office formulates technical policies and carries out operational activities, including creative industries in Banda Aceh. The creative industry supports tourism in this city, making stakeholders from the Banda Aceh Tourism Office important. Academics/lecturers from Syiah Kuala Banda Aceh University provide theoretical and empirical insights into the creative industry in the area. Meanwhile, creative industry players provide a real perspective and face daily problems. These six stakeholders are considered relevant and interested in the selection of a creative industry competitiveness strategy in Banda Aceh. In the Cooperatives and MSMEs Office group, 1 person each represents the field of cooperatives and MSMEs, so the total is 2 people.

In this study, a data analysis technique with a multi-criteria analysis (MCA) approach using the Expert Choice application was used to develop a competitiveness strategy for the creative industry in Banda Aceh. The MCA approach allows for the incorporation of criteria of different magnitudes and diverse stakeholder perceptions, creating decisions based on their understanding. The decision-making process uses the Analytical Hierarchy Process (AHP) method, which involves identifying criteria and subcriteria based on the Diamond model Porter (1990) and Kotler et al. (1997). The main criteria include production factors, demand conditions, supporting industries, company and competitor strategies, government roles, opportunities, and social capital. This criterion is divided into 25 subcriteria, including three sub-criteria of condition factors, six sub-criteria of demand conditions, four sub-criteria of supporting industries and competitors, three sub-criteria of government roles, two sub-criteria of opportunity, and five sub-criteria of social capital. This method allows for a comprehensive and thorough analysis in determining the competitiveness strategy of the creative industry in Banda Aceh.

In more detail, the main criteria and subcriteria for assessing the competitiveness strategy of the creative industry are presented in Table 1.

Table 1. Assessment Criteria for the Selection of Creative Industry Competitiveness Strategies in Banda Aceh

It	Criterion	SubKriteria
1.	Condition Factors	Human Resources Natural Resources Capital
2.	Demand Conditions	Source of Request Number of Requests Product Marketing Product Design Variations
3.	Related Industries and Supporting Ones	Location Complaint Process Quality of Supporting Materials Training on using materials
4.	Corporate and Competitor Strategies	New Products Price and cost drops New Technology
5.	The Role of the Government	Policy Training Facilities Program
6.	Opportunity	Technology Tools Political Conditions

It	Criterion	SubKriteria
7.	Social Capital	Communication and interaction Family Honesty Collaborate Rules

Source: (Kotler et al., 1997; Porter, 1990)

In the context of analyzing the AHP method to understand the competitiveness strategy of the creative industry in Banda Aceh, data was obtained through filling out questionnaires by stakeholders who have a deep understanding and strong interest in the selection of the strategy. The questionnaire uses a rating scale from 1 to 9 to describe the level of preference. Definitions of values and quantitative opinions regarding the comparative scale can be found in Table 2 presented below.

Table 2. Comparison Matrix Scale

Intensity of Interest	Definition	Explanation
1	One element is as important as the other	Both elements contribute equally much to these properties
3	One element is slightly more important than the other	Experience is slightly in favor of one element
5	One element is clearly more important than the other	Experience shows strongly in favor of one element
7	One element is very clearly more important than the other	Experience shows strongly liked and dominated by a visible element in the
9	One element is absolutely more important than the other	Experience shows one element is very clearly more important
2,4,6,8	When in doubt between two nearby values	This value is given when a compromise is needed

Source: Saaty, (1993).

3. Results and Discussion

3.1. Overview of Creative Industry Potential in Banda Aceh

The city of Banda Aceh, located in Aceh Province, occupies a privileged position as the capital of this province. The city covers an area of 61.36 square kilometers and is home to about 254,904 people. Located in geographical coordinates between 05° 16' 15" – 05° 36' 16" North Latitude and 95° 16' 15" – 95° 22' 35" East Longitude, Banda Aceh City has an average altitude of 0.80 meters above sea level. The city consists of 9 sub-districts and 90 villages.

The city of Banda Aceh is growing rapidly along with the development of the creative industry in Aceh. Creative industry players are generally categorized as MSMEs. To get an overview of the development of the creative industry, you can look at the development of MSMEs in the city of Banda Aceh which is presented in Table 3.

Table 3. Development of MSMEs in Banda Aceh, 2017 - 2020

No	Sector	2017	2018	2019	2020
1	Industry	3178	3178	70	2640
2	Trade	4817	6507	8	5508
3	Various services	1829	3208	5	2156
4	Agriculture	10	10	10	10
5	Fishing	20	20	20	23
6	Farm	6	6	6	6
7	Transportation	41	41	41	41

Source: BPS, Banda Aceh (2023).

From Table 3, it can be seen that in the period from 2017 to 2020, the MSME sector in Banda Aceh experienced diverse dynamics. The trade sector showed significant growth, peaking in 2018 with 6,507 MSME units. In contrast, the industrial sector experienced sharp fluctuations from 3,178 units in 2017 to 70 units in 2019, before recovering to 2,640 units in 2020. Miscellaneous services also decreased from 1,829 units in 2017 to 5 units in 2019, before improving slightly to 2,156 units in 2020. Meanwhile, the agriculture, fisheries, livestock, and transportation sectors showed stability with a relatively small number of MSME units during the period. Despite fluctuations, this data reflects the dynamics of the development of MSMEs in Banda Aceh, with the trade sector as the main driving force.

In 2019, there was a sharp decline in the MSME sector, which can be explained as a direct impact of the COVID-19 pandemic that hit the world. Despite the decline, these MSME sectors show the resilience and adaptability of business actors in Banda Aceh amid serious economic challenges due to the global pandemic. These MSME sectors show the resilience and adaptability of business actors in the midst of serious economic challenges. Related to the creative industry, this dynamic creates opportunities for creative and innovative business development in Banda Aceh, especially in the trade sector which has shown stable and strong growth. Creative business actors can take advantage of the resilience and adaptability of MSMEs as a foundation to develop a diverse and competitive creative industry in the future.

Achievements in the field of creative economy in Aceh province were achieved at the end of 2017. In that year, the Creative Economy Agency designated three regions in Aceh, namely Banda Aceh, Sabang, and Bireuen, as "Creative Cities" (Madjid et al., 2022). The three cities are determined as creative cities with the aim that the ecosystem, potential, best practices, and development of existing creative economy system problems can be mapped properly. Since the aftermath of the Tsunami disaster, the city of Banda Aceh has grown rapidly and has become one of the destinations for tourists from various regions. This development encourages the development of the creative industry which is an attraction for tourists. Some of the sub-sectors that are leading in Banda Aceh include the culinary sub-sector, the craft industry sub-sector, the fashion and performing arts sub-sector (Madjid et al., 2022).

The culinary industry in Banda Aceh is developing significantly, where culinary entrepreneurs are competing to obtain halal certification to increase the attractiveness and selling value of their products. Some of the dishes that have become symbols of the city of Banda Aceh include Aceh noodles and coffee, chicken catch, beulangong sauce (meat curry), timpan, asoe kaya (srikaya), and roti cane. All of this proves how important culinary is in shaping the identity and pride of a region. Based on infographic data BEKRAF (2018) shows that the culinary industry in Banda Aceh is able to absorb a workforce of more than 3000 people. The turnover generated from this culinary business reaches Rp 5.4 trillion per year. This culinary industry sub-sector has been developing for 14 years in Banda Aceh. There are 363 including restaurants, restaurants, coffee shops as well as 51 hotels and 18 wisama which are the main actors in the culinary industry in Banda Aceh. The culinary sub-sector has a close relationship with the agricultural and tourism sectors. In this case, the performing arts sub-sector can also be encouraged through support for the distribution and consumption process, so that all these aspects can support each other and develop together.

Furthermore, in Banda Aceh, the creative industry of the craft sub-sector produces various handicraft products typical of the region. These handicraft products, such as rencong, bags, key toys, jewelry, songket, kupiah, various accessories, and the like, are part of efforts to promote local culture. The goal is to attract tourists who visit Banda Aceh. This creative industry tradition has existed since ancient times and continues to be passed down from generation to generation, developing rapidly to this day. Motifs or ornaments in Acehese handicrafts symbolize important symbols in the life of the Acehese people. For example, the motif of the buleun star (moon star) represents the majesty and height of the creator. While the pucok rebong motif reflects the growth and development of the younger generation, and the seleman footprint motif depicts people's belief in the stories and history of the past in a religious context (Selian, 2015).

In addition to the culinary and craft sub-sectors, the fashion and performing arts sub-sectors are also the main focus in Banda Aceh. This is reflected in the increasing number of boutiques and

designers present in the city, which is a testament to the thriving growth of the fashion and performing arts industry in Banda Aceh. Some of the fashion products that have penetrated the international market include Aceh Muslim women's clothing which includes home clothes, robes and mukena by offering a variety of models and designs (ANTARA-ACEH, 2022). Meanwhile, performing arts in Banda Aceh include dance, music, and theater, which are often performed in traditional events, religious ceremonies, and cultural celebrations. Acehese dances such as the Saman Dance, Ratoh Duek Dance, and Seudati Dance are often performed in traditional ceremonies, weddings, and religious events (itjen.kemdikbud, 2023). Acehese traditional music is also famous, with songs sung by singers accompanied by traditional musical instruments such as rebabs, serune kalee, and drums.

3.2. Formulation of Banda Aceh Creative Industry Competitiveness Strategy

The formulation of a strategy to increase the competitiveness of the creative industry in Banda Aceh refers to the results of the AHP analysis which uses multiple criteria that form the analysis hierarchy process, with the goal being at the top, and followed by the main criteria, main sub-criteria and alternative problems. The research hierarchy that has been compiled is the basis for the preparation of questionnaires and data processing. Each of these subcriteria is given a name. The research hierarchy is presented in Figure 1.

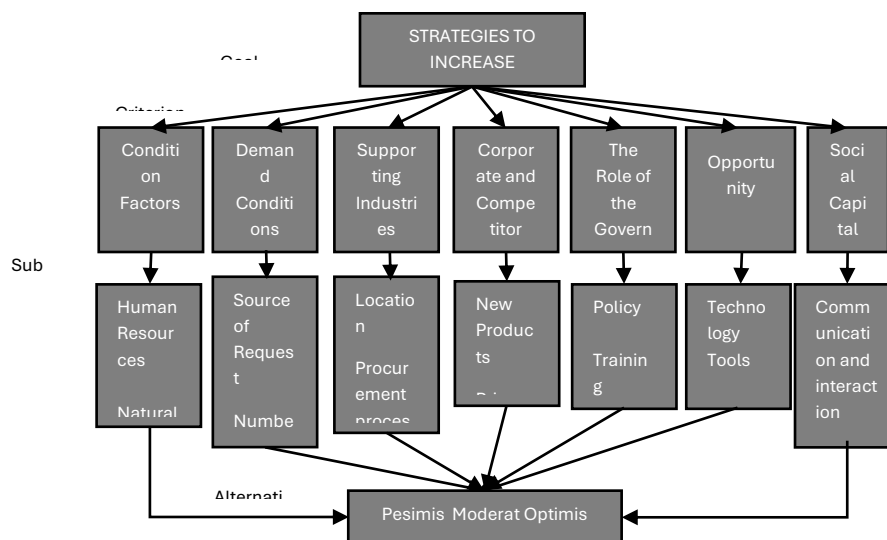


Figure 1. Research Hierarchy

Furthermore, based on the results of the comparative analysis of the level of importance between the criteria, subcriteria and alternatives presented starting from the criteria and sub-criteria have the highest to the lowest values and followed by alternative comparison values can be seen in Table 4.

Table 4. Comparison of Criteria and Alternatives Competitiveness Strategy of the Creative Industry in Banda Aceh

Criterion	Value Criterion	Sub Criteria	Sub-Criteria Value	Alternative Values		
				Optimistic	Moderate	Pessimist
Opportunity	0,210	Technology Tools	0,579	0,426	0,325	0,240
		Political Conditions	0,421	0,322	0,251	0,428
The Role of the Government	0,168	Policy	0,505	0,514	0,239	0,247
		Facilities Program	0,253	0,368	0,298	0,334
		Training	0,242	0,489	0,252	0,259
Demand Conditions	0,146	Variations	0,242	0,463	0,318	0,219
		Product Design	0,206	0,445	0,326	0,230
		Number of Requests	0,198	0,507	0,227	0,266
		Product Marketing	0,188	0,602	0,191	0,207

Criterion	Value Criterion	Sub Criteria	Sub-Criteria Value	Alternative Values		
				Optimistic	Moderate	Pessimist
Corporate and Competitor Strategies	0,143	Source of Request	0,166	0,462	0,297	0,241
		Price Drops and Fees	0,361	0,499	0,272	0,230
		New Technology	0,352	0,428	0,292	0,280
		New Products	0,286	0,410	0,323	0,267
		Honesty	0,292	0,525	0,241	0,234
Social Capital	0,133	Rules	0,245	0,394	0,250	0,356
		Collaborate	0,198	0,572	0,247	0,181
		Family	0,173	0,467	0,256	0,277
		Communication and Interaction	0,132	0,449	0,306	0,245
Condition Factors	0,109	Human Resources	0,481	0,634	0,171	0,195
		Natural Resources	0,271	0,620	0,200	0,180
		Capital	0,248	0,537	0,236	0,227
		Training on Using Materials	0,431	0,493	0,200	0,307
Related Industries and Supporting Ones	0,092	Quality of	0,267	0,532	0,218	0,250
		Supporting Materials				
		Location	0,183	0,398	0,360	0,242
		Procurement Process	0,119	0,437	0,322	0,242

Consistency value < 0.1

From the results of the analysis in Table 4, it can be concluded that in determining the competitiveness strategy of the creative industry in Banda Aceh, the three highest priorities are opportunity (0.210), the role of the government (0.168), and demand conditions (0.146). Furthermore, the other criteria had a sequentially decreasing level of importance, with the lowest level of importance being related and supporting industries (0.092).

3.3. Priority Criteria

Based on the analysis of the competitiveness strategy of the creative industry in Banda Aceh, the results show that the "opportunity" factor is the most important. The opportunity here refers to factors that have the potential to affect the success of the creative industry in the region. In the context of the creative industry in Banda Aceh, opportunities are defined as factors that open up opportunities for companies or business actors to develop innovative products or services that can meet market needs well. The results of this study are in line with the views of Warglien and Arkhipov (2015) who emphasized that superior company performance comes from taking advantage of opportunities that competitors do not have. Identifying and capitalizing on opportunities in the industry is a crucial aspect of business strategy, enabling companies to grow, strengthen their position in the market, and achieve sustainable competitive advantage. These findings also support previous research that emphasizes the key role of opportunity as a key driver of corporate competitiveness (Bhawsar and Chattopadhyay, 2015; Liu, 2017; Fang et al., 2018).

The results of the analysis show that the second highest criterion in the strategy to increase the competitiveness of the creative industry, in Banda Aceh, is "the role of the government." This includes the ability of governments to provide support, incentives, and regulations that support the competitiveness of the industry. The importance of the government's role in improving the competitiveness of small and medium-sized industries has been proven, with the support of regulations and policies that can improve their performance. These findings are also in line with previous research that emphasizes that government assistance, including access to financial

institutions and the development of marketing networks, is a key factor in improving the competitiveness of small and medium-sized enterprises (Jeppesen, 2005, Anton et al., 2015).

The third priority strategy sequence is to pay attention to "demand conditions" in increasing the competitiveness of the creative industry, in Banda Aceh. Demand conditions refer to the state of the market or economic environment in which creative industry products are sold or consumed. Factors such as demand sources, demand numbers, product marketing, product design, and product variations affect demand conditions. These findings are in line with research Roostika et al. (2015), which shows that demand conditions have a significant influence on business competitiveness. The introduction of a holistic and sustainable strategy can be achieved by taking into account demand conditions, allowing companies to achieve a strong competitive advantage and adapt to changing market dynamics.

3.4. Priority Sub Criteria

Furthermore, from the three highest priorities above, there are several sub-criteria that determine in order according to the ranking of the value. The results of the analysis show that in the "opportunity" criterion, the most important sub-criterion is "technological tools" (0.579), followed by "political conditions" (0.421). Technology tools are a key aspect for the competitiveness of the creative industry in Banda Aceh. This sub-criterion includes strategies where industry players can have access to the latest technology, be able to improve production equipment, and utilize digital technology and the internet in product marketing and distribution. Companies that build competitive advantage through technology tend to be leaders in the industry by offering products that have the best performance, lowest cost, and highest quality (Morone, 1993). The competitive impact of technology can be seen in increasing the market through differentiation or adding value, as well as increasing cost efficiency through overall system improvements (Fleming, 1991). This finding is in line with several previous studies that affirm the key role of technology as an effective strategy in improving the competitiveness of companies (Haseeb et al., 2019; Saeidi et al., 2019; Khaddam et al., 2020).

From the output results, it can be seen that the sub-criterion of "policy" (0.505) is the main one in the criterion of "the role of the government" to increase the competitiveness of the craft industry in Banda Aceh. The next subcriteria are "facility program" (0.253) and "training" (0.242). The government's role in the policy includes steps to create a business environment that supports the development of the creative industry in the craft sub-sector in Banda Aceh. These include tax policies, incentives, regulations, and assistance programs for creative industry players, as well as efforts to facilitate market access, support research and development, and build supporting infrastructure. Saptana et al. (2022) emphasizing that government policies that support the efficiency of production, logistics, infrastructure, distribution, and marketing systems can increase industrial competitiveness. Appropriate government policies can go hand in hand with the government's role in facilities and training programs.

Furthermore, based on the results of the analysis, the subcriteria in the "demand condition" criterion can be sorted based on their level of importance from highest to lowest, namely: "variation" (0.242), "product design" (0.206), "number of demand" (0.198), "product marketing" (0.188), and "source of demand" (0.166). Product variety is a crucial aspect in the strategy to increase the competitiveness of the creative industry, in Banda Aceh. Its operations can be measured through indicators such as the number of products, product variety, and product innovation. Product variation management is key to a company's success because it can increase customer satisfaction and provide added value, while managing product variations throughout the product lifecycle to meet customer needs appropriately and efficiently (Elmaraghy et al., 2013).

3.5. Priority Alternatives

Based on the comparison of the results of alternative strategies to increase the competitiveness of the creative industry in Banda Aceh as a whole, the next step is to determine alternative priorities.

An overall assessment should be conducted to determine the best alternative based on the views of respondents or expert sources. The graph of the analysis results can be found in Figure 2.

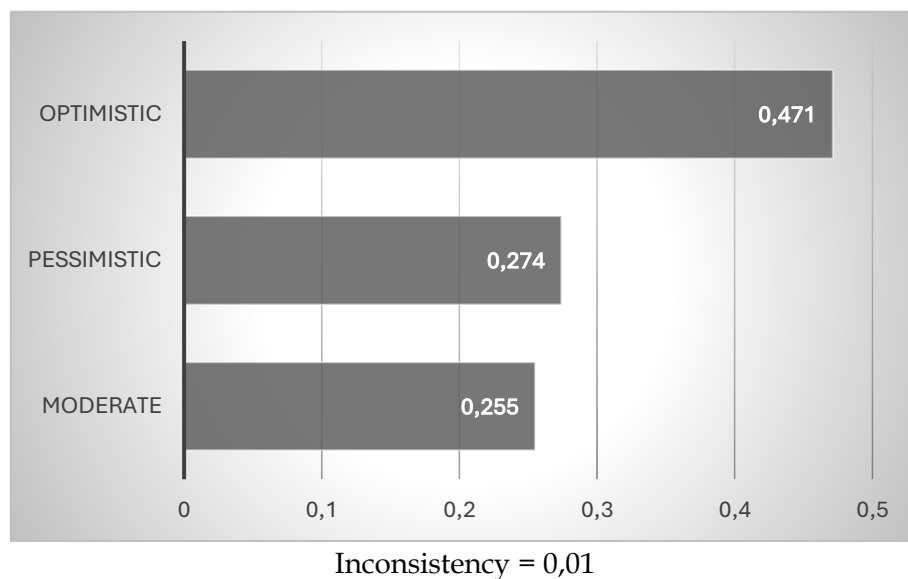


Figure 2.
Pairing Comparison Across Alternatives - Determining a Competitive Strategy
Creative Industries in Banda Aceh

Based on the results of the alternative comparison, it can be concluded that the priority of determining the competitiveness strategy of the creative industry, especially the craft sub-sector in Banda Aceh, is highest in the optimistic strategy (0.471), followed by the pessimistic strategy (0.274), and the moderate strategy (0.255).

Based on Table 4, optimistic strategies show superiority in almost all subcriteria, except in political conditions that are their weaknesses. Meanwhile, the pessimistic strategy has only one advantage in the subcriteria of political conditions, with weaknesses in other subcriteria. A moderate strategy has no advantage in any one subcriterion, with weakness in all subcriteria. Therefore, the determination of the most priority strategy to increase the competitiveness of the creative industry in Banda Aceh, is given to the "optimistic" strategy. This decision is based on the superiority of an optimistic strategy that includes 24 subcriteria, except for the subcriteria of political conditions. These results indicate that the creative industry in Banda Aceh has good capabilities in the 24 subcriteria and can be managed optimistically to increase business competitiveness.

This research consistently strengthens the basis of the Resource-Based View (RBV) theory (Barney, 1991, Eisenhardt and Martin, 2000) in the context of the creative industry in Banda Aceh. The focus of the research is directed at internal factors that affect the competitiveness of the industry, with an emphasis on aspects such as technology, government policies, and product variety. Through in-depth analysis, the study identifies the subcriteria that have the most significant impact, such as technological tools, policies, and product variations, reflecting the value, scarcity, impermanence, and irregularity of resources and capabilities possessed by Banda Aceh's creative industry.

The strategic decisions taken in this study, especially the selection of optimistic strategies as the top priority, clearly reflect the concept of RBV. An optimistic strategy choice demonstrates exceptional utilization of internal resources and capabilities, in line with the RBV principle which states that a company's competitive advantage comes from unique and valuable internal resources.

4. Conclusion

Aceh's achievements in the field of creative economy were realized at the end of 2017 with the designation of three regions, including Banda Aceh, as "Creative Cities." Banda Aceh, as a fast-growing tourism destination, is the center of the creative industry with the culinary, craft, fashion, and performing arts subsectors as the flagship. The culinary industry grew significantly, absorbing

labor and generating substantial turnover. The craft sub-sector produces a variety of handicraft products with local motifs, while the fashion and performing arts sub-sector is also growing rapidly, as shown by the international market penetration of Acehese Muslim women's fashion products and the diversity of Acehese traditional performing arts.

Furthermore, this study aims to formulate a priority strategy to increase the competitiveness of the creative industry in Banda Aceh, focusing on three main criteria: opportunity, government role, and industrial demand conditions. The results of the study identify the most important subcriteria of each criterion, where technological tools are the key to the opportunity criterion, policy to the government role criterion, and product variation to the demand condition criterion.

In addition, the study establishes optimistic strategies as a top priority, outperforming pessimistic and moderate strategies. Optimistic strategies stand out with advantages in almost all subcriteria, except in the subcriteria of political conditions. These findings are in line with the Resource *based View* (RBV) theory, emphasizing the importance of utilizing valuable, rare, imitable, and irreplaceable resources and capabilities by competitors.

The contribution of this research involves the identification of key strategies to improve the competitiveness of the creative industry in Banda Aceh. The findings provide practical guidance for industry players and local governments, confirm RBV principles, and delve into key factors such as technology and government policies. In addition, the results of this study have the potential to pave the way for further research in this area, supporting the sustainable development of the creative industry in the region, and possibly in other locations with similar contexts.

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