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Tenun Lurik Research

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Introduction

About Tenun Lurik

Lurik weaving fabric is an authentic Indonesian fabric product. The Lurik word itself comes from Java which means “lines”. Thus, Lurik basically only possesses one kind of *motif* (a decorative design, especially a repeated one forming a pattern). which is line *motif*. Three regions play a role as the main producer of Lurik weaving fabric Indonesia, that is Yogyakarta, Solo, and Tuban. The Forms of Lurik motives are usually vertical or horizontal. Lurik weaving fabrics usually have a dark color such as dark green, dark brown, dark yellow, dark blue, dark red, etc. (Kemdikbud, 2021). There are several basic type of Lurik motives: 1) straight line which align with the length of fabric named “lajuran”, 2) Straight line which align with the width of fabric named “pakan malang”, and 3) Lurik with small motives named “cacahan”.

There are several tools to produce Lurik weaving fabric. The most famous tool is named “gendong” which hasn't been used so much since a long time ago. Another kind that is also famous is “bendho”. The modern form of weaving is named “alat tenun bukan mesin” or ATBM. The last generation of current tools named “alat tenun mesin” or ATM which already produces fabric using machine technology that allows producers to create more fabric faster.



Source: Human Initiative

Introduction

About Tenun Lurik

Lurik weaving fabric possesses rich historical value. Based on Nian S. DJoemena Book (2000) titled “*Lurik*”, the line's motif on *Lurik* fabric has historical value. The line motive from various historical findings shows that this kind of weaving fabric has existed long ago. It is proven by the inscription from Mataram Kingdom (851-882 C), King Erlangga inscription from East Java at 1033 C also mentions “*tuluh watu*” one of *Lurik* types. The use of shawls on terracotta statues from Trowulan in East Java in the 15th centuries also become evidence that *Lurik* have existed since a long time ago. *Lurik* on temple reliefs and statues show that *Lurik* weaving fabric has existed since the Javanese Kingdom era.

Lurik can't be separated from belief in a certain religion. *Lurik* used to be worn at religious or custom ceremonies and rituals. Every strand of *Lurik* has a philosophical value. Some motives are considered to have a sacred value. Different kinds of *Lurik* can have a different use and historical value. (Kemendikbud, 2021).



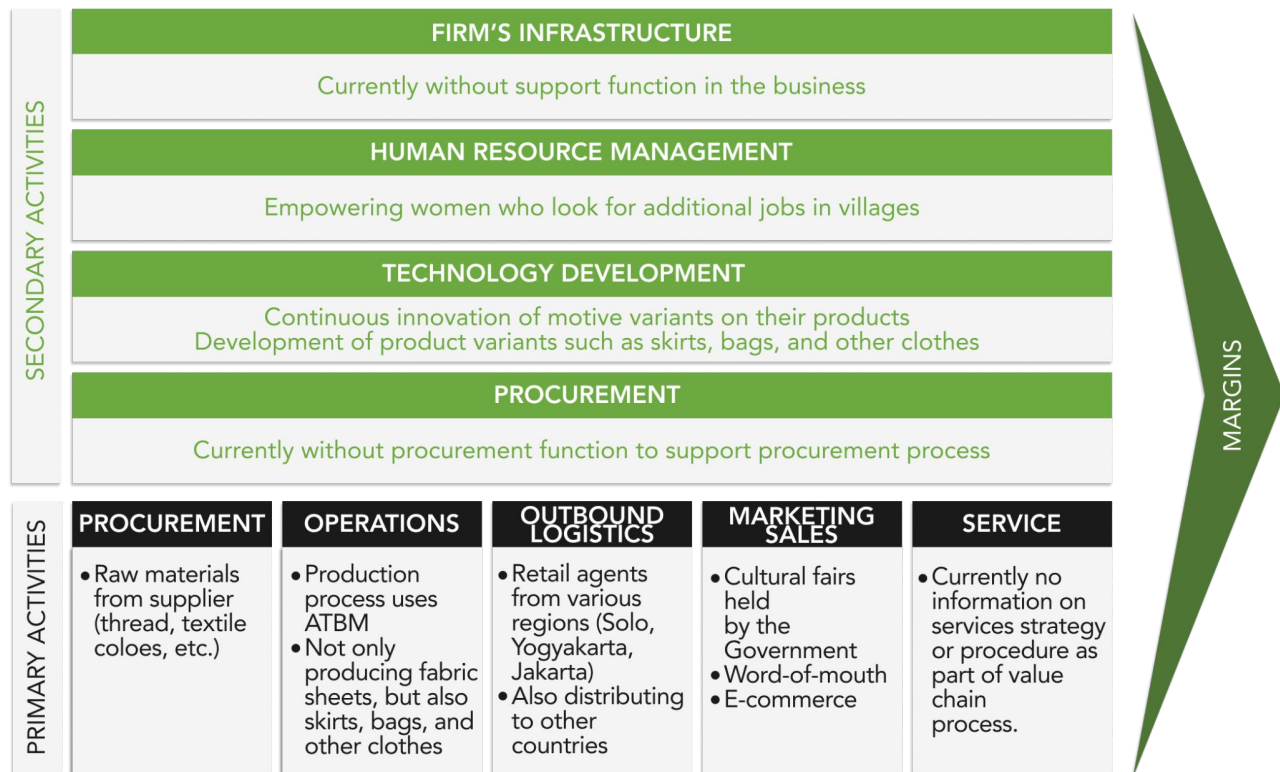
Kain Tenun Market Outlook



Source: Kompasiana

The sales of Lurik weaving fabric is growing from 2011-2019 in Tlingsing Village. **The sales increase from 1000 m per month in 2011 to 5000 m per month in 2019.** Tlingsing village is one of the main producers of Lurik weaving fabric (Astuti, 2021). The producer sells the fabric both B2B and B2C. The business agents which buy the products are usually from Yogyakarta, Solo, and Jakarta. The sales of B2B also increased from 2011 to 2021. At the first time the producer sells the product to business, they usually buy for only 1000 m per month. In 2021, the sales increased to be 3000 m per month. This phenomenon indicates that **there is an increase in Lurik fabric market size.** However, there is a decrease in terms of the traditional kind of Lurik fabric that is produced through traditional knitting, not machined (ATBM). Some producers substitute the traditional Lurik weaving fabric that is produced traditionally with a more modern kind of Lurik fabric that is produced by machines or alat tenun mesin (ATM). In terms of sales channel, they use both online and offline channels. The consumers of products are not only from Indonesia, but they also export their products to other countries.

Overview of Kain Tenun Lurik Value Chain



The producers of *tenun* weaving fabric continuously innovate new motives to follow the fashion trends in the market. They also not only focus on producing fabric sheets, but also produce other forms of products such as skirts, bags, and other clothes. The producers distribute their products mainly through agents that usually come from Yogyakarta, Jakarta, and Solo. To promote the products, the producers used to join cultural fair events which were held by the government. They also promote their products through e-commerce to reach a broader market in Indonesia. Government also supports the producers by helping them to acquire every material and tools needed to make the products. In terms of service and firm infrastructure, we haven't found related information about how they serve their customers.

Producers, suppliers, agents, and government are the key players of *Tenun Lurik* business based on the value chain analysis. Producers are the people who make the product. Suppliers are the parties who provide raw materials needed. Agents are the parties who distribute the products. Governments also play crucial roles to support the *Lurik* weaving fabric producer.

External Analysis

The handwoven *Lurik* fabric industry in Yogyakarta is intricately woven into the cultural and economic fabric of the region. Conducting a comprehensive external analysis using frameworks such as PESTLE (Political, Economic, Social, Technological, Legal, Environmental) and Porter's Five Forces allows us to delve deeper into the external factors shaping this traditional craft's landscape. PESTLE analysis provides insights into the macro-environmental influences affecting *Lurik* production, ranging from governmental policies on cultural heritage preservation to economic trends impacting consumer spending habits. Meanwhile, Porter's Five Forces framework illuminates the industry's competitive dynamics, considering the bargaining power of suppliers and buyers, the threat of new entrants, substitute products, and the existing rivalry among *Lurik* producers in Yogyakarta and beyond. Here are the external analysis provided for *Tenun Lurik* Industry in Yogyakarta.

PESTLE Analysis



Figure 2: Tenun Lurik PESTLE analysis

External Analysis

Porter's Five Forces



BARGAINING POWER OF SUPPLIERS HIGH

- Traditional weavers possess specialized skills and significant capital.
- The supply of Lurik fabric is limited.



BARGAINING POWER OF BUYERS HIGH

- Buyers have many choices of Lurik fabric from various suppliers, including Lurik print fabric.
- Switching costs for buyers are low.
- Lurik print fabric has higher demand.



EXISTING COMPETITIVE RIVALRY MODERATE

- The number of Lurik weavers is still small.
- Low utilization of digital technology.
- Competition is more intense in Luik print fabric.
- The lack of regeneration of Lurik weavers could further increase competition among existing weavers.



THREAT OF SUBSTITUTE PRODUCTS HIGH

- Luik print fabric directly substitutes conventional Lurk fabric.
- Other woven fabrics are cheaper & easier to produce.
- Consumers are increasingly aware of fashion trends & seek more modern woven fabrics.



THREAT OF NEW ENTRANTS LOW

- Specialized skills and capital are required to start a Lurik fabric business.
- Strong brand awareness of traditional Lurk weavers.
- Tight competition in the weaving industry.

Kain Tenun Lurik Market

Supply Side

What are the challenges for Tenun Lurik in a business landscape?

We use Pakel Arum as a case study to better understand the business landscape of Tenun Lurik. Pakel Arum is a tenun lurik production and store in Yogyakarta, specifically in Sumberarum village, that is famous for its heritage/culture of Kain Tenun Lurik as a commodity and major product in their economic activity. Although weaving is not the main occupation or source of income for Sumberarum villagers, many weavers still have a strong desire to maintain the sustainability of the *Tenun Lurik* business. As with other micro, small and medium enterprises, the *Tenun Lurik* business in this village faces various challenges that require special attention. Despite its great potential, there are various factors that can hinder the development and progress of the *Tenun Lurik* business in the village.

- **Difficulty in Regeneration**

One of the main challenges faced by the *Tenun Lurik* business in Pakel Arum is the difficulty in regeneration, as the younger generation in the village, dominated by Generation Z or Gen Z, is less interested in being involved in the business. Gen Z is shaped by rapid technological change and development, particularly digital technology (Jenkins, 2018). Gen Z is the most vulnerable to internet addiction, which can reduce their social participation due to their fixation on the virtual world (Tarigan, 2022). In line with this statement, the younger generation in this village has begun to abandon the habit of weaving and is reluctant to learn this skill. The influence of technology, especially the use of gadgets, has changed their behavior patterns and interests. Children and teenagers are more interested in modern and digital activities, resulting in less interest in traditional skills such as weaving. This lack of interest threatens the sustainability of the *Tenun Lurik* business in the future as there are no successors ready to continue this tradition.

Kain Tenun Lurik Market

Supply Side

- **Market Competition**

Market competition is a major challenge for the *Tenun Lurik* business in Pakel Arum. According to them, the presence of printed *tenun* is a challenge in itself that threatens the existence of the traditional *Tenun Lurik* business in Pakel Arum. Printed *tenun* products that are mass-produced and sold at a much lower price than traditional *Tenun Lurik* have changed consumer preferences.

The number of consumers who prefer printed woven products because of their affordable prices makes traditional *Tenun Lurik* difficult to compete in this increasingly competitive market. The market that is currently dominated by Gen Z and millennials makes traditional businesses such as *Tenun Lurik* increasingly cornered. Gen Z consumer behavior has several characteristics that are relevant to this phenomenon. Gen Z when shopping sees more discount opportunities and prices which are also the main considerations in shopping (Utamanyu et al., 2023). So that *Tenun Lurik* which incidentally has an expensive price is less attractive to young people.

In addition to the price factor, aesthetics in dressing is another important aspect considered by Gen Z and millennials. Gen Z strongly considers affordable quality, aesthetics, and compatibility with their personal style when making purchase decisions, with value for money strongly influencing their lifestyle and choices based on beauty and personal expression. Gen Z tends to like things that are unique and different from the majority of people, they are very interested in unique and diverse motifs and designs (Wening & Kusumadewi, 2023). Printed *tenun* products are able to fulfill both of these things. This is certainly because the manufacturing process that relies on machines makes the designs on printed *tenun* fabrics more varied and interesting. In contrast, traditional *Tenun Lurik* is often considered less attractive because of its monotonous and old-fashioned patterns by the younger generation despite its high cultural and historical value.

Kain Tenun Lurik Market

Supply Side

- **Financial Constraints on Transactions Outside Java**

Financial constraints are another factor hindering the development of the Tenun Lurik business in Pakel Arum. Weaver often faces limited capital to expand their markets, both domestically and internationally. Lack of access to adequate financing makes it difficult for them to expand their business further. Efforts to reach markets outside Java are also hampered by high logistics costs and limited distribution networks.

Although international and outside Java transactions generally require production in large quantities and allow for lower per unit prices, this is not enough to cover expensive production and shipping costs. They have to bear significant shipping costs, including packaging, transportation, and customs duties. These high logistics costs make the final price of Tenun Lurik products too expensive to compete in markets outside Java.

Even if a large volume of Tenun Lurik transactions can achieve a profit margin, it is so slim that it is not enough to support adequate profit sharing. This creates a cycle that is difficult to break, where high logistics costs continue to reduce potential profitability, making it difficult for Tenun Lurik businesses to expand and compete in the wider market.

- **Marketing Issues**

Marketing issues are also a serious obstacle for the *Tenun Lurik* business in Pakel Arum. Although the business itself already has an online shop to market their products, its impact is still very limited as the amount of sales generated from the use of e-commerce is insignificant. The lack of an effective marketing strategy and the unoptimized use of digital platforms have made the online shop less successful in increasing sales. In addition, the limited knowledge and skills of digital marketing among weavers is also an inhibiting factor.

Kain Tenun Lurik Market Supply Side

There are other factors that also affect marketing success, which are brand image and the story behind the product. In the digital world, consumers not only buy products, but also the stories behind them. *Tenun Lurik* has high cultural and historical values, but the lack of effort to communicate these values through digital platforms has caused the product to lose its appeal that could have been utilized as a competitive advantage.

- **Accounting/bookkeeping Issues**

In addition to the four challenges mentioned earlier, there is no clear bookkeeping during business activities. But the uniqueness of this problem is that it is not due to the weaver's inability to do so, it is just that they are reluctant to do so.

Financial bookkeeping plays an essential role in business management. It helps determine profits and losses and serves as a tool to control cash flow and allocation of funds, which minimizes the risk of product loss and fraud. In addition, bookkeeping also plays a role in evaluating business feasibility to ensure consistency in recording financial transactions (Kemenkeu, 2023).

The lack of organized and transparent bookkeeping makes it difficult to manage finances and make effective decisions. Without proper bookkeeping, it is difficult to accurately track income and expenses, which in turn negatively impacts the financial health and ability to plan for business development.

Furthermore, the lack of clear bookkeeping and transaction recording in the *Tenun Lurik* business in Pakel Arum makes it difficult for them to collaborate with the government, events, and other businesses that require clear financial transparency.

Case Study

A Scenario in Pakel Arum

VRIO ANALYSIS

| VALUABLE | RARE | INIMITABLE | ORGANIZATION |
|--|---|---|--|
| <i>Tenun lurik</i> fabric produced in Pakelarum has its own value due to its authenticity and unique texture, characterized by its distinctive striped pattern. This inherent quality makes valuable and rare in the market. | The rarity of this product lies in its craftsmanship, which distinguishes from mass produced products. However, the level of imitation of <i>tenun lurik</i> is quite high, as is the case with printed <i>tenun</i> . Printing technology is able to replicate the look of traditional weaving but at a lower cost and with greater production efficiency. | Competitors are attempting to imitate <i>tenun lurik</i> from Pakelarum using cost efficient printing techniques. However, consumers often don't care about the fabric type, leading to decreased demand for the original product. Modern printing technologies make it easier to imitate traditional patterns, making it cheaper and more accessible. This weakens the market and reduces the perceived value of traditional <i>tenun lurik</i> . Thus, authentic producers face a competitive disadvantage. | There are several areas that still need improvement for the <i>tenun lurik</i> business in Pakelarum. The main issues related to the need for better financial record keeping, more effective marketing strategies, and alignment of product designs with current market trends, especially those targeting the youth market. Improving these aspects could help to better compete in the market which is increasingly dominated by printed <i>tenun</i> . |

Given the high level of imitation of *Lurik* weaving and the prevalence of cheaper printed alternatives, *Tenun Lurik* businesses in Pakel Arum experience a temporary competitive advantage. This advantage relies on their ability to maintain authentic product quality and capitalize on unique cultural values while competing with much cheaper imitation products. As the market increasingly shifts towards more affordable printed *tenun*, the competitive advantage of traditional *Tenun Lurik* is diminishing over time.

In terms of economic performance, the *Tenun Lurik* business is currently performing above normal due to the perceived value and cultural significance of its products. This performance is supported by the scarcity of authentic *Tenun Lurik* in the market, which makes its price premium. However, this favorable position cannot be maintained indefinitely, as the ease of imitation and the increasing availability of cheaper alternatives may erode this temporary advantage. To secure long-term economic performance and maintain its competitive position, the business must address their internal operational inefficiencies, improve marketing effectiveness, and adapt to market demands.

Kain Tenun Lurik Market

Supply Side

How has technology changed the Tenun Lurik supply performance?

Technology is an important component of this industry. Technology, such as e-commerce in this case, helps to meet consumer demands for Kain Tenun Lurik products and optimize operations to help suppliers in the production process of Kain Tenun Lurik to be more efficient and productive.

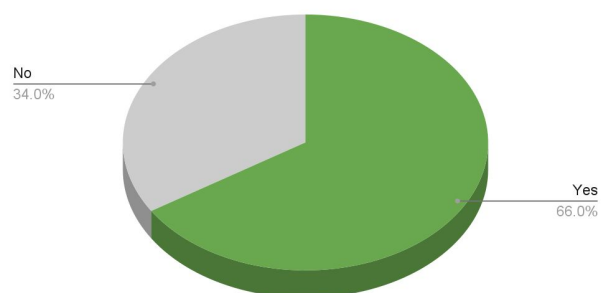
E-commerce is another way in which technology contributes to higher sales. Customers can make informed judgments by using e-commerce platforms that provide comprehensive product information, reviews, and guarantee details. Customer satisfaction increases and information asymmetry decreases with features such as live chat and online order customization. Sellers can monitor consumer interactions and improve their marketing tactics by utilizing the comprehensive client data offered by e-commerce platforms. This data helps in gaining an understanding of consumer preferences and behavior. However, the Kain Tenun Lurik business in Pakel Arum does not experience a significant impact on their e-commerce sales.

Kain Tenun Lurik Market Demand Side

From the survey conducted, how many people do like and actually buy Kain Tenun Lurik?

The survey was participated by respondents of various age backgrounds from teenagers to adults, showing a positive sentiment towards *Kain Tenun Lurik*. Reached 80% of respondents have used products from *Kain Tenun Lurik*.

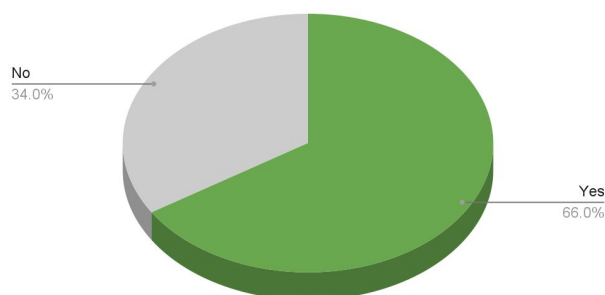
"Have you ever used products from kain tenun?"



Graph 1: The Use of Tenun Lurik

In addition to the high number of people using *Kain Tenun Lurik*, the survey also revealed people's appreciation of the fabric. More than 70% of respondents showed positive sentiments towards *Kain Tenun Lurik*, indicating a strong interest in the fabric. The public's interest in *Kain Tenun Lurik* is shown by 76% of respondents having purchased *kain tenun lurik*.

"Have you ever purchased kain tenun lurik?"



Graph 2: Tenun Lurik Purchased

The survey shows that *Kain Tenun Lurik*, Indonesia's traditional woven fabric, is still a popular choice among various circles of society, despite new clothing styles and designs, where trends come and go, *Kain Tenun Lurik* still has a timeless appeal.

It also indicates that *Kain Tenun Lurik* has its own attraction which can be seen from the pattern, color, and history of the fabric itself.

Kain Tenun Lurik Market

Perceived Value Analysis

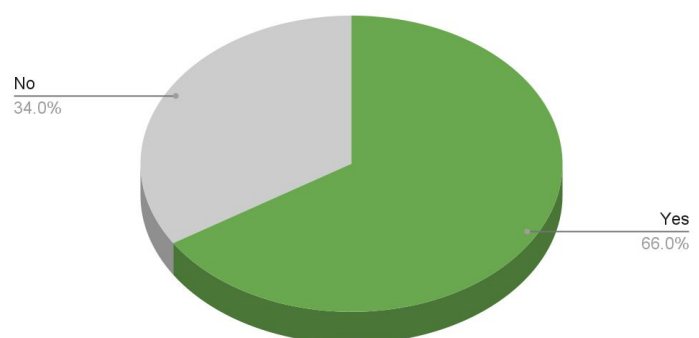
The number of people who buy *Kain Tenun Lurik* has a reason behind it. One of the underlying reasons is the meaningful value behind this fabric. Other than that, the quality and price of the fabric also play an important role in determining the customer to experience this product and own it. Customer perceived value on *Kain Tenun Lurik* can be analyzed from several dimensions:

1. Quality Dimensions

Kain Tenun Lurik has its own attraction for everyone. This can be seen from the many people who have known the existence of *Kain Tenun Lurik* both from social media, bazaars, and offline stores. In addition, the discovery that many people have begun to use *Kain Tenun Lurik* as daily clothing or daily work clothes encourages the existence of *Kain Tenun Lurik* itself.

The emergence of public confidence in using *Kain Tenun Lurik* is supported by product quality factors that make people want to buy for their own ownership, as gifts, or for decoration. The good quality is closely related to the high price to fulfill the quality of resources, skills, and time contribution to make it.

"Are you willing to pay more for higher quality?"



Graph 3: Tenun Lurik Premium Price WTP

Some of people might feel reluctant to pay in a high prices for each products. But according to the survey that we conducted, 82% respondents are willing to pay more to have the high-quality of *Kain Tenun Lurik*. This survey indicates that *Kain Tenun Lurik* has a strong appeal and trust for people to use it.

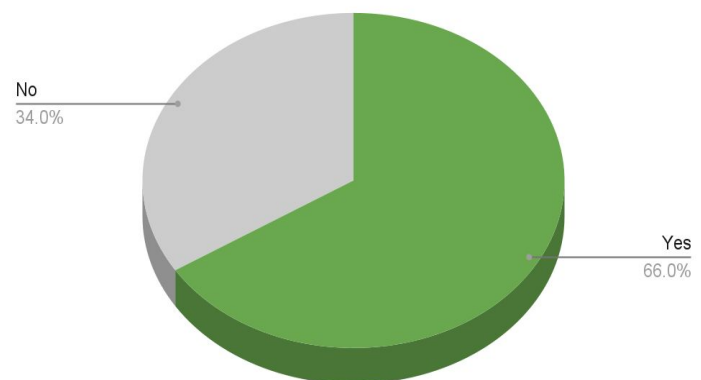
Kain Tenun Lurik Market Perceived Value Analysis

2. Price Dimensions

Price is always a major factor for customers to purchase a product. In the context of Kain Tenun Lurik, 66% of respondents considered not buying Kain Tenun Lurik due to its high price. The elevated cost of this type of fabric can be attributed to factors, including the weaving techniques employed, the use of premium materials, and the cultural significance attached to the product.

While for some individuals the price may serve as a determining factor in their decision to buy *Kain Tenun Lurik*. But interestingly, some respondents found the price range already reasonable and within their budget. This finding suggests that *Kain Tenun Lurik* may have greater appeal than previously perceived, although 66% of them were swayed by the price.

Ever considered buying kain tenun lurik, but

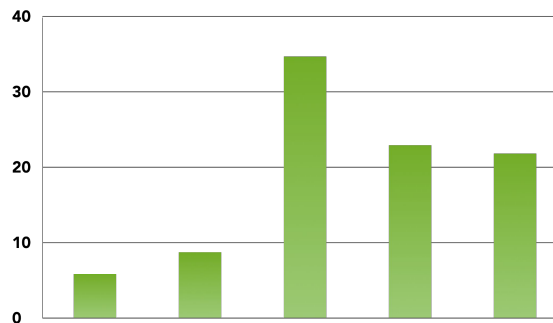


Graph 4: Tenun Lurik Price Dimension - Respondent

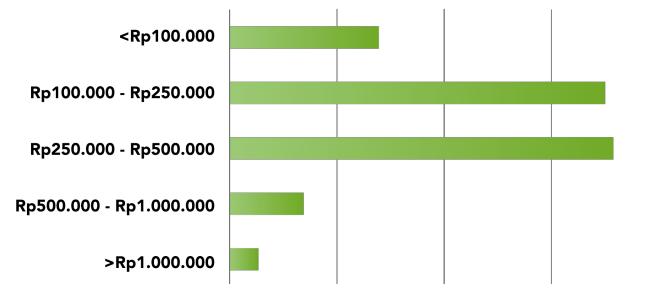
This observation is further supported by examining customers' willingness to pay for *Kain Tenun Lurik*. The survey indicated that 70 individuals believed that the ideal price point for this fabric should be moderate enough to cater to all income groups ranging from 100.000 to 500.000 rupiah. However, it is worth mentioning that certain respondents also favored pricing options. The apparent inconsistencies in these discoveries, uncover the underlying reality that *Kain Tenun Lurik* appeals to a range of customers, with varying preferences and resources.

Kain Tenun Lurik Market Perceived Value Analysis

Do you feel that the price of kain tenun lurik you are buying is affordable?



How much money are you willing to spend on a single purchase of kain tenun lurik?



Graph 5: Tenun Lurik Price Respond

3. Emotional

Kain Tenun Lurik are often associated with various symbolic meanings of belief and accompany various religious ceremonies, rituals, and customs. These beliefs are reflected in the various patterns of *Kain Tenun Lurik* that are considered to have sacred values and can provide good luck, some of which imply advice, guidance, and hope^[2].

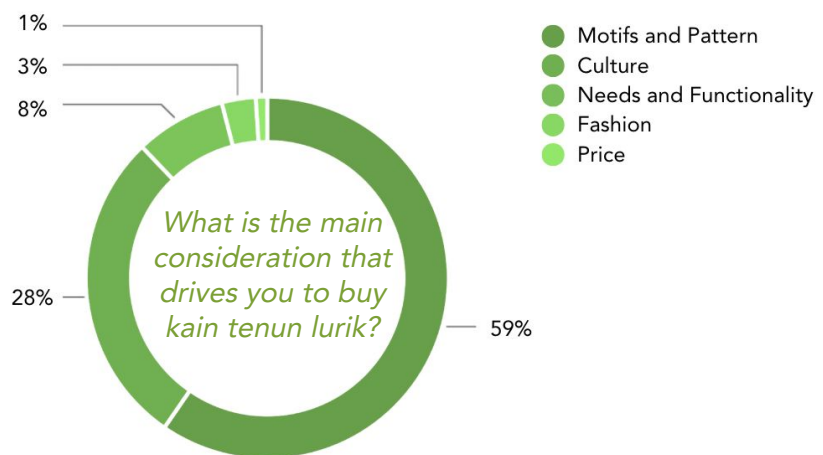
One example of the *Kain Tenun Lurik* pattern that has its own meaning and is used in traditional ceremonies is '*Kain Lurik kluwung*'. These patterns are associated with ritual events such as 'mitoni' or seven months pregnant mother rituals. In addition, '*Kain Lurik kluwung*' is also used for the labuhan ceremony, performed by relatives of the java palace who have hopes for safety. It proves that owning a *Kain Tenun Lurik* is not just about owning a beautiful fabric, but also about the connection with cultural heritage and the historical meaning in it^[3].

[2] Purwaningsih, Lestari. (2022). Relasi Motif Kain Lurik Jawa dan Makna Spiritualitasnya: Kajian Filosofis, Sosiologis, dan Fenomenologis. *Journal of Social Humanities and Education* 1 (4),133.

[3] Ibid., 129

Kain Tenun Lurik Market Perceived Value Analysis

The previous conditions are proven by the results of the survey we have conducted. The position that occupies the highest survey in considering the purchase of *Kain Tenun Lurik* for respondents is motifs and patterns (59%) followed by culture (28%) aspects.



Graph 6: Main Drivers of Buying Tenun Lurik

Customer Satisfaction Analysis

Customer satisfaction is a major issue for companies in today's highly competitive market. This satisfaction of customers comes when the products match the one's expectations of customers which has a direct positive impact on loyal customers who purchase the products. Those loyal customers directly contribute to the company's success by generating repeat business and fostering a positive brand reputation and market position.

In the case of *Kain Tenun Lurik*, we analyzed various factors that stimulate the customer's satisfaction in purchasing this product. Those factors are related to the aesthetics, quality, convenience, usability, innovation, price, and the quality of the product's package. Based on these 7 factors, the quality factor ranked first with a value of 56.8% where respondents strongly agreed on the satisfaction of the quality of the *Kain Tenun Lurik* itself. These numbers show that the quality of the current *Kain Tenun Lurik* is already acceptable by each society. In addition, the aesthetic and convenience factors of the product also reached more than 50% of respondents strongly agree. It shows to us that *Kain Tenun Lurik* already fulfills society's expectations of the product's convenience to use in special events and daily wear.

Kain Tenun Lurik Market Perceived Value Analysis

Consumer satisfaction with the product can also be measured by how innovative the product is. Especially if we talk about *Kain Tenun Lurik*, one of the traditional fabrics that compete with modern culture, then something fresh is needed to keep up with the latest trends. Based on the survey we conducted, 47.4% of respondents strongly agreed that *Kain Tenun Lurik* provides many product innovations. The innovation is expressed in the form of new materials derived from natural fibers as weft in the weaving process and also manifested in the creation of innovative products such as bags, wallets, tablecloths, and prayer mats^[4].

Apart from the measurement of the product itself, product packaging also plays an important role in customer satisfaction. This is because packaging is the first thing that buyers see on goods or services that can attract buyers in terms of purchasing decisions. In addition, more than 20 respondents stated that another reason for purchasing *Kain Tenun Lurik* for personal use, sometimes also for gifts to others. It indicates that good packaging will represent the appropriateness of the gift itself. *Kain Tenun Lurik* has fulfilled the customer satisfaction matrix based on the survey results which show that more than 45% of respondents strongly agreed with the satisfaction with product packaging in accordance with product packaging aesthetics, product packaging quality, and product packaging innovation.

[4] Kurniyati, N. N., Sukanadi, I. M. (2019). Pemberdayaan Masyarakat Perajin Tenun Lurik ATBM Melalui Inovasi Produk. *Jurnal Seni Kriya*, 7(2), 114.

Warisan budaya tak benda. (2010). Kain tenun lurik. <https://warisanbudaya.kemdikbud.go.id/?newdetail&detailCatat=309>

Roedjito, Tenun Lurik Tradisional (TenunGendhong). Yogyakarta: Bagian Koleksi Musiun Sonobudoyo Yogyakarta, 1985.

Martono, Kain Tenun: Koleksi Museum Sono Budoyo. Yogyakarta: Museum Negeri Propinsi D.I. Yogyakarta Sonobudoyo, 1997/1998

Praditiningtyas, Dewa. (2020) Analisis Potensi Pengembangan Pemasaran Digital Kain Tenun Lurik Produksi ATBM Klaten

Menggunakan Factor Analysis. *Jurnal Pariwisata dan Budaya*.

Kain Tenun Lurik Market Perceived Value Analysis

The last factor we measured was related to the price of the product which also showed interesting facts. The number of respondents who chose strongly agreed related to the satisfaction of the price of *Kain Tenun Lurik* was at 43%. This figure shows the ideal conditions related to satisfaction with the product. However, the consumer satisfaction factor related to price is still at the bottom of the rankings. This is because if we compare with other factors that we have analyzed, such as quality, innovation, packaging aesthetics, reaching figures above 45% to 50.

Kain Tenun Lurik Economic and Business Empowerment *How does business empower the societies around?*

The influence of *Tenun Lurik* reaches not only related producers but also Indonesia as a whole. As such, *Tenun Lurik* production have become a household job with it empowering housewives by giving them additional way to earn money. Other than this, The existence of *Tenun Lurik* has strengthened the sense of camaraderie between producing villages. This is done through their monthly meetups, called *arisan* in Indonesian, for which businesses bond and discuss matters related to *Tenun Lurik* with each other.

This tight-knit camaraderie has become the *status-quo* for *Tenun Lurik* businesses as they support one another even going to the extent of outsourcing orders to each other. Yet, their tight-knit co-optation stems from a bigger goal for Indonesian culture as a whole; that is, the preservation of *Tenun Lurik*. The producing villages have done a multitude of effort to preserve this culture going as far as preserving traditions within the crafting process. As such, Pakel Arum has had multiple programs in order to teach people matters regarding *Tenun Lurik*. Furthermore, the producers have also attended many cultural exhibition in order to repopularize *Tenun Lurik* in Indonesia. With this, the empowerment does not only go as far as the producers but also Indonesia as a whole.

Kain Tenun Lurik Market

Kain Tenun Lurik Economic and Business Empowerment

How significant is the business of Tenun Lurik in economically empowering their nearest society/people?

Weaving creates additional income as well as creates job opportunities for people in Pakel Arum. For the most part however, the job opportunity offered from Tenun Lurik are largely part time job as the earning of weaving Tenun Lurik themselves does not justify it to be a fulltime job paired with the growing demand in having a job in the city such as being a factory worker; in other words, it can be said that weaving Tenun Lurik fulltime is a job lost to time as this condition of working with Tenun Lurik was not always the case. Despite weaving being a part-time job for the village of Pakel Arum, the business of Tenun Lurik itself has become a very important part of the economy for its people. As such, the earning of weaving Tenun Lurik is able to fund daily necessities such as food, electricity and even education to a certain degree. A big factor to this is the living cost of living in the village itself. As the villagers do not spend as much, the additional income from Tenun Lurik greatly helps villagers in living their daily lives making earning from Tenun Lurik an important factor of the village economy. Thus, this makes it imperative for Tenun Lurik to be more popular in the market in order to ease the village finances.

Can Kain Tenun Lurik Business bring long-term well-being to its employees and society?

For the past decades, Tenun Lurik have empowered its society and the society around it. Through Tenun Lurik, families are given additional way to earn income to ease family finances and to further activate village cash flows. Additionally, through Tenun Lurik, the camaraderie between villages intensifies as they meet and collaborate in order to preserve Indonesia's fashion culture. Through these, for a long time Tenun Lurik has brought forth well-being on a micro and macro scale. Yet, a looming threat to this well being is the existence of Tenun Lurik and its culture as a whole for which its prevalence and other challenges has brittled and its influence on both micro and macro scale decreasing despite still being significant.

Kain Tenun Lurik Market

Kain Tenun Lurik Economic and Business Empowerment

Therefore, despite *Tenun Lurik*'s ability to create long term well being to it in a micro and macro scale, its ongoing threat from the challenges *Tenun Lurik* and their producers face can create a threat to the well being it created. To garner the scale and impact of an empowerment, Impact-Effort matrix is done.

Using the **Impact-Effort Matrix**, we have divided empowerment into 3 for which is considered their effort and impact for **Tenun Lurik Villages**

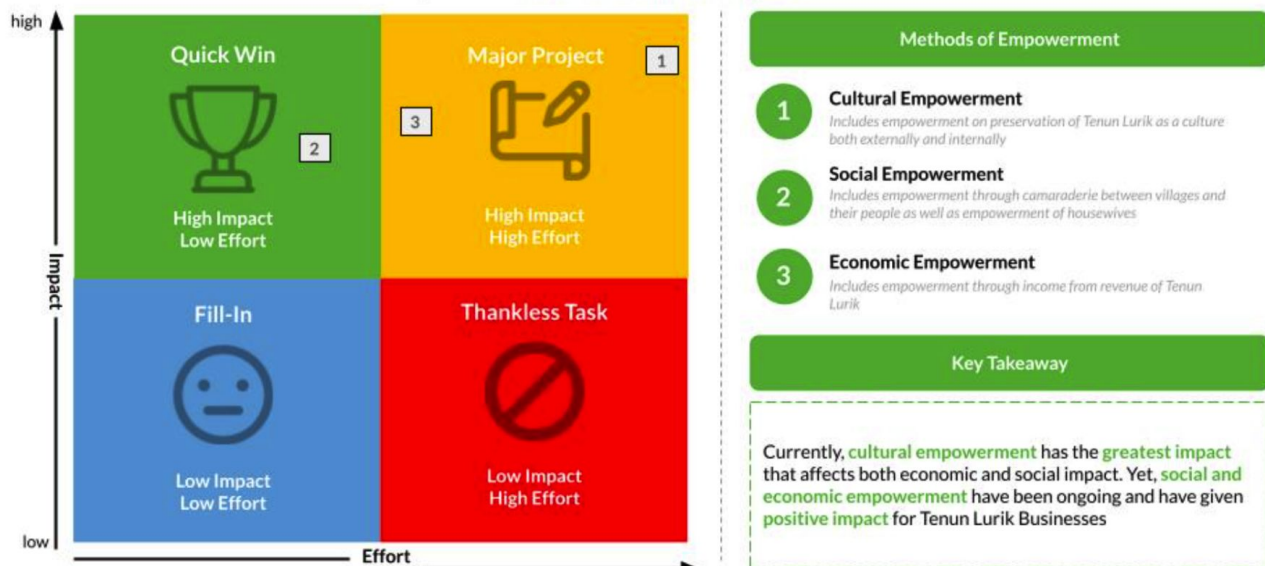


Figure 3: Tenun Lurik Initiatives Impact-Effort Matrix

Kain Tenun Lurik Market

How can Tenun Lurik be more competitive in the modern market?

Mapping 6 Sustainability Challenges with 6 Strategic Action

CHALLENGE

1. Businesses struggle in ensuring succession quality for the business continuity and sustainability
2. Substitute product is way cheaper than the original Tenn Lurk Silk
3. Insufficient fund in paying the freight cost and surcharge of outside-java domestic and international trade
4. Lack of fashion trend and current trend in delivering superior customer value
5. The Implementation and role of ledger is underestimated

ACTION



Figure 4: 6 Sustainability Challenges and Strategic Action Exhibit

1. Create commercial value

It is crucial to focus on creating and enhancing the commercial value of Tenun Lurik to address the issue of businesses struggling to ensure succession quality for continuity and sustainability. Enhancing commercial value means ensuring that Tenun Lurik is perceived as precious and has a certain value in it. Emphasizing the unique cultural heritage, craftsmanship, and historical significance of Tenun Lurik can differentiate it from other products (especially with those factory-produced goods) and attract a dedicated customer base. For instance, Tenun Lurik can be perceived as a precious commodity. This can be achieved through strategic marketing initiatives that highlight the authenticity of the product, as well as collaborations with designers, fashion houses, and even the local government to create limited-edition collections that appeal to affluent consumers.

Future Recommendations

How can *Tenun Lurik* be more competitive in the modern market?

Furthermore, creating commercial value involves investing in branding and storytelling to build a compelling narrative around *Tenun Lurik*. This means creating a commercial value requires strategic marketing initiatives that cater to the target customer value. This includes sharing the stories of artisans, showcasing the intricate process of creating the fabric, and emphasizing its cultural importance. By building a strong connection with consumers, businesses can foster brand loyalty and ensure sustained demand. This approach not only supports the immediate business but also paves the way for successful succession by establishing a solid foundation for future generations to build upon.

2. Utilize technology push and cost and asset play strategy initiatives

The threat of substitute products should be addressed very strategically to ensure business and industry continuity in the market. To combat the challenge of substitute products being significantly cheaper than the original *Tenun Lurik*, businesses should adopt technology push and cost and asset play strategy initiatives.

Implementing modern weaving technologies and machinery can enhance the productivity and efficiency of resources used, making *Tenun Lurik* more price-competitive without compromising quality. This technological advancement can also ensure consistency and precision in the production process, further strengthening the product's market position.

Furthermore, optimizing asset utilization and cost management (cost-asset play) through strategic initiatives such as lean manufacturing, bulk purchasing of raw materials, and improved supply chain logistics can further reduce production expenses. This can be achieved by searching for a bigger buyer that may have more percentage of wallet-share to buy *Tenun Lurik* products.

Future Recommendations

How can *Tenun Lurik* be more competitive in the modern market?

3. Develop a robust investor plan and road map to attract more governmental, domestic, and international investment

Insufficient funds may be very difficult for small businesses to address. However, to tackle the issue of insufficient funds especially for paying freight costs and surcharges for outside-Java domestic and international trade, developing a robust investor plan and road map is essential. This strategic initiative involves identifying potential investors, including governmental bodies, domestic investors, and international stakeholders, and presenting a compelling case for investment in *Tenun Lurik* businesses. Even a small business should have a robust plan on attracting investors to gain more capital injection. There are several unique value propositions that can be highlighted when searching for potential investors. For instance, highlighting the cultural significance, market potential, and growth opportunities of *Tenun Lurik* can attract interest and financial backing from various sources.

Moreover, *Tenun Lurik* suppliers and businesses should create a detailed investment plan and road map outlining the specific areas where funds will be utilized, such as logistics, marketing, and expanding production capabilities. This road map should demonstrate a clear path to profitability and return on investment, providing confidence to potential investors. Investors do prefer to invest in a business that understands the future of its own business and understands how to leverage their cash flow so that it can be increased in the long run. This is where private investors may contribute to the industry. Private investors may make a significant contribution by giving more liquidity to the business to enhance and optimize their value chain and business operation. Thus, it is important to create a detailed investment plan and roadmap.

Future Recommendations

How can *Tenun Lurik* be more competitive in the modern market?

By securing adequate funding, businesses can overcome logistical challenges, expand their market reach, and ensure the sustainability and growth of *Tenun Lurik* in both domestic and international markets.

4. Utilize young people for trend and marketing initiatives

Young people understand more about fashion trends and marketing trends in the status quo. They are most likely to be more strategic in utilizing the FOMO of their people. Thus, addressing the lack of fashion trends and current trends in delivering superior customer value requires the involvement of young people. Engaging young designers, marketers, and even students can inject fresh ideas and contemporary styles into *Tenun Lurik* products, making them more appealing to modern consumers. Collaborations with fashion institutes and involving young talents in design and marketing processes can bridge the gap between traditional craftsmanship and current fashion trends, ensuring that *Tenun Lurik* remains relevant and desirable. Furthermore, young people can play a crucial role in digital marketing initiatives. Utilizing social media platforms, influencer collaborations, and online marketing strategies can significantly enhance the visibility and appeal of *Tenun Lurik* among younger, tech-savvy consumers. By tapping into the digital landscape, businesses can effectively reach a wider audience, create buzz around their products, and build a strong online presence that drives sales and customer engagement.

Engaging young people in trend and marketing initiatives is a realistic and effective recommendation that can ensure the long-term success of *Tenun Lurik* businesses. Young people are often more attuned to current fashion trends and digital marketing strategies, making them valuable assets for businesses looking to stay relevant and competitive. By involving them in product design and marketing campaigns, businesses can create products that appeal to a broader, younger audience.

Future Recommendations

How can *Tenun Lurik* be more competitive in the modern market?

This not only increases sales but also fosters innovation within the company. Furthermore, providing opportunities for young people can help retain local talent and reduce unemployment, contributing to the community's overall wellbeing. In the long term, this approach can lead to a vibrant, sustainable industry that continues to evolve with changing market demands.

5. **Boost execution and transformation management**

The underestimated implementation of ledgers within *Tenun Lurik* businesses points to a need for improved execution and transformation management. Adopting robust management practices and technologies can streamline operations, enhance transparency, and improve decision-making processes. Implementing digital ledger systems can provide accurate and real-time tracking of finances, inventory, and production activities, thereby reducing inefficiencies and enhancing overall business performance. For instance, promote the use of QRIS (Quick Response Code Indonesian Standard) for digital payments. This not only simplifies transactions but also automatically records them, making it easier to keep track of sales and payments.

How significant is the business of Tenun Lurik in economically empowering their nearest society/people?

1. **E-commerce and social media initiatives**

Digitalization through e-commerce and social media initiatives can significantly enhance the business processes and competitive position of *Tenun Lurik* enterprises. By establishing a strong online presence via e-commerce platforms, businesses can reach a global audience, breaking the geographical limitations of traditional brick-and-mortar stores. E-commerce platforms allow customers to browse, purchase, and review products at their convenience, increasing customer satisfaction and expanding the market reach.

Future Recommendations

How can *Tenun Lurik* be more competitive in the modern market?

Social media initiatives further amplify this reach by engaging potential customers through targeted marketing campaigns. Platforms like Instagram, Facebook, and Pinterest are ideal for showcasing the aesthetic and cultural appeal of *Tenun Lurik*. By creating visually appealing content, sharing the stories of artisans, and leveraging influencer partnerships, businesses can generate buzz and attract a wider, younger audience. Additionally, social media analytics provide valuable insights into consumer behavior and preferences, enabling businesses to tailor their offerings and marketing strategies effectively. This dual approach not only drives sales but also builds a loyal customer base, enhancing the competitive position of *Tenun Lurik* businesses in the market.

2. **E-commerce and social media initiatives**

Financial technology, such as QRIS in Indonesia, plays a crucial role in streamlining payment processes and improving the overall efficiency of *Tenun Lurik* businesses. QRIS enables seamless, secure, and quick transactions, reducing the friction associated with traditional payment methods. QRIS will not only make it easier to buy the product, but also easier for business owners to keep track of each transaction digitally. By integrating QRIS into their sales channels, whether online or offline, businesses can offer a more convenient shopping experience, thereby increasing customer satisfaction and loyalty.

Furthermore, financial technology can provide valuable data analytics on sales patterns, customer preferences, and cash flow management. This information is critical for making informed business decisions and optimizing operational efficiency. For instance, businesses can track which products are most popular and adjust their inventory accordingly, reducing waste and improving profitability. However, it requires a tech-savvy personnel to adapt the financial technology due to its complexity in management and utilization.

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180 Degrees Consulting

180 Degrees Consulting is the world's largest volunteer consultancy with over 150 branches across 35+ countries. Our mission is to give social impact by giving a volunteer service for NGOs, NPOs, SMEs, and other social enterprises.

Pakel Arum, Desa Sumberarum, Sleman Regency.

Pakel Arum, located in Sumberarum village, is one of the most popular tenun lurik production center in Indonesia. Their unique motif, product quality, and production scheme makes Pakel Arum special. The researchers of this report are grateful for Pakel Arum for being open and taking the time to guide us in completing this research paper.

REAPRA PTE. LTD.

Reapra is a venture-building and investment group headquartered in the Asia Pacific, dedicated to fostering sustainable business growth. By combining research and practical experience, we strive to develop entrepreneurs into industry leaders while driving positive societal impact. To date, Reapra has invested in over 60 companies across 13 countries, spanning diverse industries such as agriculture, aviation, education, healthcare, hospitality, real estate, travel, and venture capital.

About 180 DC UGM and REAPRA

Since 180 DC UGM and REAPRA started their partnership in 2024, we have embarked together on numerous projects, in support of REAPRA's mission on making meaningful positive contribution to the society.

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