

UTILISING POTENTIAL LOCALITY FOR MANAGING SME'S CREATIVITY IN WEST JAVA

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Abstract

Creativity is the main driver of today economy. Many research has been done on the development of small and medium enterprises (SMEs) which pioneered by young entrepreneur using their creativity. However, few have emphasized on local potential when managing creativity in their SME research. This research was conducted to fill the gap regarding how young entrepreneur managing their small-medium businesses using their creativity and locality. This research has conducted during 2015-2016 using mixed method at 388 SMEs in West Java. Using survey and statistic, quantitative methods have been done in the first year. In-depth interview and focus group discussion were conducted in second year. The difficulty to presenting entrepreneurs from Cirebon in the second year makes the interpretation only made for three cities. The results show that all entrepreneurs have different uniqueness in managing creativity to run their businesses. Entrepreneurs in the city of Garut, Cirebon and Tasikmalaya have advantages in terms of rich experience, more mature age, and financial capital. While entrepreneurs in Bandung has a uniqueness in social capital or networking, they also more enthusiastic to create new design and product. The city of Bandung has open atmosphere more than the other city in West Java, due to many creative communities there. Using four types of entrepreneurs to analyse the findings, entrepreneurs in Bandung are classified as Innovative Entrepreneurs. Meanwhile, entrepreneurs in Garut are categorised as Fabian Entrepreneurs, and them in Tasikmalaya categorised as Imitative Entrepreneurs.

Abstrak

Kreativitas adalah penggerak utama ekonomi saat ini. Banyak penelitian telah dilakukan terhadap pengembangan usaha kecil dan menengah (UKM) yang dirintis oleh kaum muda menggunakan kreativitas mereka. Namun belum banyak yang menekankan pada mengelola kreativitas berdasarkan potensi lokal atau locality dalam penelitian UKM tersebut. Penelitian ini dilakukan untuk mengisi kekosongan tersebut, bagaimana kaum muda merintis dan mengelola UKM menggunakan potensi lokal dan kreativitas yang mereka miliki. Penelitian ini dilakukan sepanjang tahun 2015-2016 menggunakan metode campuran di 388 UKM Jawa Barat. Metode survei dan statistik sebagai metode kuantitatif telah dilakukan pada tahun pertama. Wawancara mendalam dan FGD sebagai metode kualitatif, telah dilaksanakan di tahun kedua. Sulitnya menghadirkan entrepreneur dari Cirebon di tahun kedua, membuat interpretasi hanya dilakukan untuk tiga kota saja. Hasil penelitian menunjukkan bahwa semua pengusaha memiliki faktor-faktor keunikan yang berbeda untuk mengelola kreativitas menjalankan bisnisnya. Pengusaha di kota Garut, Cirebon dan Tasikmalaya memiliki kelebihan dalam hal pengalaman yang lebih kaya, usia yang lebih matang, dan modal keuangan. Sementara pengusaha di Bandung memiliki keunikan dalam bentuk modal sosial atau jejaring, dan lebih antusias menciptakan desain dan produk baru. Kota Bandung terbukti memiliki atmosfir yang lebih terbuka untuk berkreasi dibandingkan kota-kota lain di Jawa Barat, karena memiliki komunitas-komunitas kreatif lebih banyak. Menggunakan empat tipe entrepreneur untuk menganalisis temuan, wirausaha di Bandung digolongkan sebagai Pengusaha Inovatif. Sementara, pengusaha di Garut dikategorikan sebagai Pengusaha Fabian, dan mereka di Tasikmalaya digolongkan sebagai Pengusaha Imitatif.

Keywords: Young entrepreneurs, creativity, SMEs, uniqueness, local potential.
JEL Codes: L26, L99, M20, M21

Introduction

Creativity as an inevitable intangible resources today is challenging entrepreneurs today to use and exploring it. In this digital era, being recognized as creative entrepreneurs and win the competition is absolutely needed. Richard Florida (2002) even says that creativity is powerhouse for developing economy. Previously, Howkins (2001) argued that new economy has emerged around creative industry which is being controlled by intellectual property laws such as patent, copyright, brand, royalty, and design. The development of creative industry for the last one century is indicated by the shift of understanding regarding cultural commodity, which is now enhanced by the development of technology and capitalized (Connor, J.O., 2010).

Creativity is differ from innovation. Creativity is thinking new things, innovation should doing that new things and penetrate the market. In short, entrepreneurs succeed by thinking and doing new things or old things in new ways. Kacker (2005) argues that today organizations are knowledge based and their success and survival depends on creativity, innovation, and discovery. A research conducted in Srilanka shows some barriers happened internally in development of SMEs creativity and innovation. Several barriers are, lack of government support, lack of institutional support, lack of opportunity to see how business innovating. Those are key external barriers besides managerial barriers, financial barriers, technological barriers faced by Sri Lanka SMEs entrepreneurs (Weerasiri, R.A.S., et.al., 2012). Each entrepreneur is different for each other. The research result identified two types of entrepreneurs in Sri Lanka which are fabian and drone types.

Another research in UK by Wilson and Stokes shows that managing creativity in music industry need four ingredients to increase creative work from individual and

independence into collaboration, or, to make innovation happened. Creativity is at the heart of business activity, it has also given rise to a „new“ model of work. These four key ingredients are: (i) the combination of individualistic values with collaborative working, (ii) blurring of the demarcation line between consumption and production, (iii) being members of a wider creative community, (iv) blurring of the demarcation line between work and non-work (Leadbeater and Oakley, 1999, in Wilson, N.C., and Stokes, D., 2006).

This dissonance arises because of key differences in managing creativity and managing innovation. Creativity as the generation of new ideas is essentially an individual act, but one that relies principally on interaction with others operating from within the same organizational field (Powell and DiMaggio, 1991, in Wilson, N.C., Stokes, D., 2006). Innovation as the successful exploitation of new ideas is a fundamentally social process built on collective knowledge and cooperative effort. For the entrepreneur to innovate, he or she must collaborate with others, such as venture capitalists, lawyers, and industry professionals, in order to leverage resources. In essence, managing creativity and managing innovation require different levels of collective activity carried out between different agents. Where creativity is the key driver of many cultural entrepreneurs this can lead to a dissonance in management behaviour that may diminish the level of innovation experienced. As Richard Florida has observed (2002) in his discussion of the rise of the creative class, individuality is a core criterion of success. In short, innovation requires many actors, open communications, and social networking (Freeman, 1991, in Wilson, N.C., Stokes, D., 2006).

What is lacking from the ideas of “creativity” by Florida and Howkins and

many other researchers, is that creativity differs from one place to another. Each region has its own characteristic of their creativity. This research aim to find and explore the differentiation between cities, and how local potential or locality impact its creativity pattern. In other words, creativity pattern will explore from potential local of each entrepreneur in several cities of West Java.

Literature Research

Creativity that became the basis of creative industry was not novel thing or definition. Since the emergence of western tradition, starting from Plato to Freud, to Popper, creativity was known as “*divergent, impulsive, and messy*” (De Bono, 1992, in DeFillipi, R., et.al, 2007). These ideas were conventional perspective of creativity. The modern research had shifted the conventional perspective of creativity that depended on the individual who owned it into creativity that was attached on a social process in an organization. The context of creativity had expanded, not limited to a certain individual, but becoming an organization or an institution.

Creativity is unique, but the impact can be devastating not only to the way-habit-patterns of human life socially, culturally and politically, but also on the economic growth of the nation. The term *creative* appeared around 2001 when John Howkins argued that new economy has emerged around creative industries controlled by the law of intellectual property such as patent, copyright, trademark, royalties, and design. The creative era focuses on the creation and exploitation of intellectual property such as works of art, movie and TV programs, software, games, or fashion design, and includes creative services such as advertising companies, publishing, and design. Creative era arrived in the third millennium wave which was characterized by increased prosperity and by emerging new needs to find meaning when experiencing and consuming goods/services. Design workers are now replacing the

knowledge workers to produce goods and services with full meaning and uniqueness (Simatupang T., 2007).

Until now, the notion of creativity has been growing. Creativity in management is considered as an *outcome* or result, as an excavation of ideas, solutions, and processes, and is considered as novelty and useful. The novelty and usability are important to be seen as creative. Therefore, if a novel idea has no usability, it cannot be regarded as creative. This definition is different from some works in psychology, especially the ones focusing on *brainstorming*, where creative results are often defined in terms of originality, fluency/frequency (number of ideas), and flexibility or versatility (number of categories). Creativity can be present in various forms of works and levels of organization, creative ideas and processes can also vary along the continuum of novelty but be incremental to the completely new (radical) and different.

Paying attention to the differences of creativity by entrepreneurs, there are four types of entrepreneurs which are Innovative, Imitative, Fabian and Drone entrepreneurs (Danhof, C.H., in Weerasiri, R.A.S., et.al., 2012). The classification is based on the characteristics of each category of entrepreneur. Innovating entrepreneurship is characterized by aggressive assemblage of information and the analysis of results deriving from noble combination of factors. Men in this group generally aggressive in experimentation who exhibited cleverly in putting attractive possibilities into practice. Such an entrepreneur is one who sees the opportunity for introducing new techniques or a commodity or a new market. Schumpeter's entrepreneurs were of this kind. Imitative entrepreneurs are also revolutionary entrepreneurs with the difference that they do not innovate the changes themselves. They just imitate techniques and technology innovated by others. Fabian entrepreneurs are characterized by very great caution and skepticism in practicing and change. Such

entrepreneurs have neither will to introduce nor desire to adopt new methods innovated by others. Drone entrepreneurs are characterized by a refusal to adopt and use opportunities to make changes in production. Such entrepreneurs may even suffer losses but they do not make changes in production methods. These four category will employ to analyse finding from the research.

Method

This research using mixed method which is a methodology for conducting research that involves collecting, analyzing, and integrating both quantitative and qualitative method. According to Creswell,

J. and Clark, P. (2011), mixed method focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches, in combination, provides a better understanding of research problems than either approach alone. By mixing both quantitative and qualitative research and data, the researcher gains in breadth and depth of understanding and corroboration, while offsetting the weaknesses inherent to using each approach by itself. The research method and stages are shown in Figure 1.

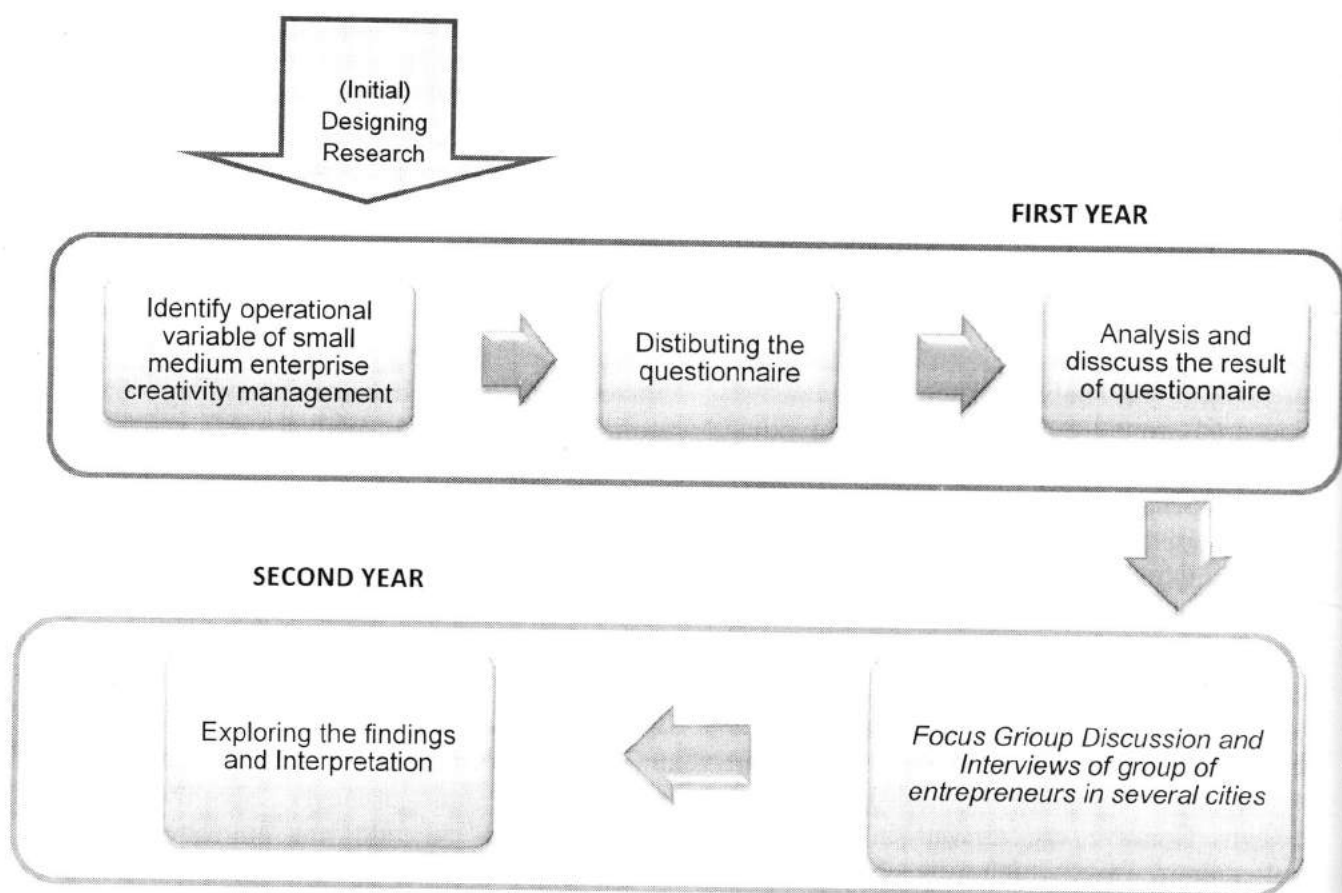


Figure 1. Research Stages

Data

The study spread 400 questionnaires and 388 data were collected and analyzed. Primary data collected from 388 entrepreneurs who live in four cities in West Java., they represented and come from Bandung, Cirebon, Tasikmalaya, and Garut. As reported in the first year by Barlian, I., Manurung, E.M., and Nawangpalupi, C.B. (2016), the 388 respondents are mostly young entrepreneurs—younger than 40-year-old—who had started businesses in fashion and handcrafting sectors. From the four observed cities, there were two dominating creative industry sectors, which were fashion and handcrafting.

Quantitative data includes close-ended information such as that found to measure attitudes (e.g., rating scales), behaviours (e.g., observation checklists), and performance instruments collected in the first year.. The analysis of this type of data consists of statistically analysing scores collected on instruments (e.g., questionnaires) or checklists to answer research questions or to test hypotheses. Qualitative data consists of open-ended information that the researcher usually gathers through interviews, focus groups and observations, conducted in second year. The analysis of the qualitative data (words, text or behaviours) typically follows the path of aggregating it into categories of information and presenting the diversity of ideas gathered during data collection.

Young entrepreneurs in the four observed cities were still dominated with small and

medium scale of business. Small business, either without employees or with 1 to 5 employees ranging from 36% to 61% from the total. On the other hand, the percentage of other entrepreneurs with 6 to 10 employees only comprised of 3% or 10 businesses. First year of research was aim to identify and mapping the characteristic of entrepreneurs from their ages, length of business, amount of employee, and education background. The data obtained through regression analysis was concluded in Table 2, which is the description of entrepreneurs.

From 388 entrepreneurs observed in 2015, 50 were invited to join workshop and focus group discussion (FGD) at Economics Faculty of UNPAR, Bandung. They are classified into two group or sector namely group of fashion and group of handcraft industry. A more detailed interview was conducted after the workshop. In 2016, the research stage continue with several in-depth interviews with ten entrepreneurs from three cities in West Java. The research result using quantitative and qualitative methods during 2015-2016 are explains below.

Result

Quantitative Perform

The data on table 1 and figure 1 showed the average age of entrepreneurs and the duration (period) of their businesses involvement, and their educational background.

Table 1. Area/City Tabulation and the Respondents' Duration of Business Establishment

Name of City	1-5 year	6-10 year	10-15 year	16-20 year	> 20 year
Garut	68 70%	15 15%	8 8%	4 4%	2 2%
Cirebon	47 56%	24 29%	5 6%	8 10%	0 0%
Bandung	87 81%	16 15%	3 3%	0 0%	1 1%
Tasikmalaya	43 47%	29 32%	9 10%	5 5%	4 4%

Name of City	16-20 year	21-25 year	26-30 year	31-35 year	36-40 year
Garut	0 0%	12 12%	32 33%	28 29%	25 26%
Cirebon	0 0%	6 7%	22 26%	23 27%	33 39%
Bandung	6 6%	29 27%	36 34%	19 18%	17 16%
Tasikmalaya	0 0%	8 8%	23 23%	39 39%	30 30%

The data on table and figure showed that the majority of business period were still in early stage, which was between one to five years old (245 respondent or 65%), and only seven of them with 20-year-old business involvement. Young entrepreneurs with six to ten years of business involvement were 84 people, and the ones with 10-15 year-old business were found to be 25 people. Entrepreneurs with 16 to 20 year-old business were 17 people. The data showed that there was a tendency of decrease of respondents' number based on the duration of business involvement. Mostly, the young entrepreneurs had 1-15 years old of business involvement. The age of these young entrepreneurs was between 16 to 40 years old, with highest proportion of 70% in 26-35 years old or young entrepreneurs. There were 40% of women entrepreneurs and 60% of male entrepreneurs.

The last education of young entrepreneurs mostly was senior high school

(SMA) graduates which is 148 of 388, followed by junior high school graduates (SMP), 91 of 388, and Bachelor's Degree (*Sarjana or SI*) comprising 69 of 388 people. If seen through the area of business and their last education, Bandung tended to have young entrepreneurs with higher educational background. There were only 22 of 107 entrepreneurs with junior high school or lower than other cities, and the others (85 people) were senior high school graduates, diploma, or bachelors' degree graduates in Bandung. On the contrary, there was no businessman in Cirebon with Bachelor's degree and mostly were elementary school graduates (31 of 84 people).

Young entrepreneurs in the four observed cities was still dominated with micro-scale business, either without employees (36%) or with 1 to 5 employees (61%). On the other hand, the percentage of other entrepreneurs with 6 to 10 employees (or small business) only comprised of 3% or

10 businesses. From the interview conducted regression analysis and were summarized as with young entrepreneurs from these four personal description of entrepreneurs in table cities regarding the maintenance of their 2. business, the data were obtained through

Table 2. Personal Description of Entrepreneurs

	Garut	Cirebon	Bandung	Tasikmalay a
Target achievement	4.13	4.00	4.00	4.13
Communication with other parties	4.07	4.42	4.07	4.10
Communication with employees	3.98	4.43	4.11	4.19
Physical Health	3.92	4.34	4.02	4.16
Enthusiasm in running the business	4.09	4.24	4.47	4.24
Willingness to face risks	3.91	4.16	4.17	4.29
The need to lead	3.91	4.23	4.08	4.35
Patient	4.27	4.10	4.09	4.35
Strong need of money	4.14	4.22	4.50	4.43
Systematic	3.82	4.20	4.03	4.32
Creating new ideas	4.27	4.17	3.81	4.25
Persistence/tenacity	4.31	4.07	4.19	4.28
Self-confidence	4.40	4.24	4.28	4.28
Taking initiative	3.95	4.39	4.16	4.32
Competitive	3.97	4.18	4.00	4.51
Broad knowledge	3.99	4.12	3.95	4.57

Besides identify and mapping the characteristic of young entrepreneurs, questionnaire also design to seek how young entrepreneurs managing their creativity in busines. From several questions about what is the target of the business, how they communicate it with employees, what their opinion about lending, and taking some initiative, the answers were summarize in table 3. Young entrepreneurs in Cirebon had managing their creativity in form of communication and initiative. The analysis showed that there was a significant and positive correlation between initiative and communication with other parties, with coefficient value (Kendall's Tau) of 0.245. This showed that communication and initiative could strengthen each other.

Table 3. The Analysis of Internal-External Environment

	Garut	Cirebon	Ban dung	Tasikmalaya
Having enough starting capital	4.28	3.81	4.11	4.06
Having time to run business	4.13	4.18	4.38	4.07
Having business relation with other parties	3.98	4.18	4.16	4.00
Having the environment to support the business	4.11	4.40	4.48	3.93
Having family support	4.52	4.48	4.63	3.87
Having the chance to join exhibition to other cities of countries	3.75	4.05	3.72	3.76
Support or role from the government (central/local) in business development	4.02	4.25	3.90	3.75
If there is a lack of capital, there is another opportunity to receive additional capital or loan	4.09	3.77	3.73	3.53

The statistic result from analysis of capital, shows there are several support from family and government, and the opportunity of surrounding environment. The support for business sustainability was found to be different between each observed city. In Bandung, entrepreneurs had high support from local communities surrounding and family; on the other hand, in Cirebon, government support and business relationship had stronger driving factor business sustainability. Young entrepreneurs in Garut had support of capital and the access for external funding from family. Young entrepreneurs in Tasikmalaya, unfortunately, did not have better support if compared to other cities.

Qualitative Perform

Fifty entrepreneurs were invited to a creative-based SME workshop in Bandung. Out of fifty entrepreneurs, more detailed or in-depth interview was conducted to ten young entrepreneurs in order to fulfill the information needed for the findings and interpretation. Furthermore, the researcher also conducted two FGDs with some experts to support and confirm the research findings. The summary of interview with ten young

entrepreneurs from three cities presented in table 4.

Table 4. Summary of Interview with Entrepreneurs from Three Cities

Creativity Aspects need to be Confirmed	Entrepreneurs in Bandung	Entrepreneurs in Garut	Entrepreneurs in Tasikmalaya
Initial capital	Driven by passion, then by learning to open a business in school/university, plus communication with others in same business community. They do not need huge financial capital, because consumers agree to pay down payment. Unique design and <i>branding</i> strengthening their reputation	The financial capital to start the business is quite huge but easy to acquire from family Skill as cultural capital is hereditary from parents (family business)	The financial capital for starting business is quite huge. Learning from other communities in Bandung, quite helps in develop the business
Strategy to maintain the business	Maintain networking (local and international) Maintain consumer's loyalty by providing persistence quality of product and services Design is unique and adjusted to consumer's personality Major products are hand-made	Due to huge financial capital, the majority become the main manufacture, therefore, having many small stores as customers Mass production Little or no new design.	Number of consumers still small. They start to pay attention to current trend, what customer want especially those popular among the youths. They always pay attention to the growing trend in Bandung.
The existence of external role	Social media are the most determining factor (instagram, line); besides they could help establishing the connection for the existing customers. Social media could also establish new networking.	Local government have good role in maintaining local culture and forcing society to buy local products.	No help from local government yet, they should making their own ideas.
Target market	Niche market or limited market that really like their	People in Garut and its surrounding areas. People who love	Mostly young people who live in Tasikmalaya which

	product, both local and international	souvenirs from Garut.	is very limited, or people who want to bring souvenirs from Tasikmalaya.
Pricing	For <i>limited order</i> , the price quite high because the product designing process takes time (should be unique and best quality)	The price is rarely change, it has fixed pricing which is determined for years	Now, there are many variations of new trends, therefore, the price could be increase from last year.
Target of Business Achievement	Almost no target, being creative and happy is the most important aspect for the entrepreneurs. No minimal or maximum amount, they happy if they can save their money.	They need to pay their employees, so the target has its minimum sales. It is important to sell all products to get the profit.	The sales target still small due to limited capacity and consumers.
The existence of rising or reducing business profit cycle	The profit of handcraft products tends to slowly increase, but never decline. Fashion product more fluctuating in sales since there is an influence from the imported raw material	Small businesses have experienced loss of profit. Big business tends to remain stable.	There is no experience because new business has just started to run and develop slowly.

The study found some interesting points as presented in the table 4 and continue with several in-depth interviews as quoted below.

1. Unique design and persistence quality of young entrepreneurs in Bandung

"I don't take the leather material I use for book-binding handcrafting from Cibaduyut—which is already well-known in Bandung—I buy them from Yogyakarta (outside Bandung) because I prefer raw texture, and rougher. I prefer rougher texture, unlike the ones from Cibaduyut. I make all of my products by hand, and I don't use any machines to make them. This will make my products look more unique, like vintage... moreover, I also need to make a design according to the character of my customers. Design for an illustrator should be different from the one for artists, and it will also be different from scrapbook, they will prefer more tenuous stitching... my customers will need to feel that the book-binding I made matched their personalities, 'oh, this really fits me' is the comment I would like to hear" (Interview with Ms T and friends in Bandung, on 20 July 2016).

"There are designs for repeat-order, I pay attention to my customers.... If they ordered large number of products, the design will not be too complicated because I will hire an assistant. These products are handmade, I make these by hand, I would not be able to fulfill the order... there are also some designs for single order, one by one, I do not know whether I could make similar design for other people or not, because usually people's personalities are different from one another" (Interview with Ms T and friends in Bandung, on 20 July 2016).

"There should be some periodic changes of ideas/designs, usually I have personal idea... I love comfortable

materials that feel comfy to wear and it will also feel exclusive, different from other products... I want my customers to get comfort and beauty of my products" (Interview with Mrs L and friends in Bandung, on 20 July 2016).

"The process for designing my products takes time, because I make my products from bronze, it has unique material and color, it is unique, and durable. There is one time that my material order takes longer time, and my starting asset also gets hold up and stuck for some time, but my inspired ideas should be in good quality and feel comfortable, especially for myself. The choice of material and color should be well-considered." (Interview with Mrs L and friends in Bandung, on 20 July 2016).

2. Family business in Garut:

"I continue my father's business... we have some employees. I also place my products in some stores in Bandung. The starting capital was already provided by my parents, in form of equipment, raw material, and employee..." (Interview with R and friends, on 10 August 2016)

3. Product Variation in Tasikmalaya and Garut:

"Young people in Tasik start to like hanging out since I opened this café... I named this café as Kafe Sekolah, because the customers are mostly high school students. The place is also a bit minimalist. The number of café in Tasik is not as many as in Bandung, so my place could be considered as a favorite place to hang out.... Besides selling accessories, I also sell simple foods such as boiled noodles, and the price is also inexpensive, it is about 10.000 to 15.000 rupiahs. My café is quite successful, the profit could reach 30 million rupiahs a month" (Interview with B and friends, on 5 August 2016).

“in Garut, people have their own preference, either on clothes (mostly Garut batik) or foods. Since I was a kid, I was used to this preferences, and as I know about this, people will prefer to buy our product, which are mostly the residents of Garut. Now I am still trying to add some variations. And I plan to have one or two variations each year to increase our selling” (Interview with R and friends, on 10 August 2016).

4. The Need of Establishing Networking: Bandung, Tasikmalaya, Garut

“For me, image branding is important... I used to love blogging, but now I rarely did it because I move to instagram☺. I need to show profile data, hobby so that people who buy my products will know me—the one who make the product for them. It’s important because the number of people who love book binding is sparse, and we have more people from abroad... I need to show that side of mine in their mind. Social media have huge part to play to expand networking, besides from mouth-to-mouth talk from people who bought my product. Alhamdulillah, in Bandung, even in Indonesia, people start to know that if they need book binding service, they will contact me ☺” (Interview with Ms T and friends in Bandung, on 20 July 2016).

“In Tasik, there weren’t many communities, unlike in Bandung. So, if I go to Bandung, I will make time as many as possible to have discussion about business, finding out current trends, and finding more friends to discuss about new ideas in business. Networking is indeed important, unfortunately it is still rare in Garut, and it probably might not exist in here. I still depend on friendship networking in Bandung... and with my friends from ITB...” (Interview with B and friends, on 5 August 2016).

“We haven’t had any plan to open our business in Bandung because the stores in Bandung had their own strategy... it is different from the stores in Garut. We will need someone we could trust; in Garut, most of the small stores were owned by families... for us, trust is an important factor. Having networking of course is a good thing to develop our business, but the networking should be trustworthy and reliable...” (Interview with R and friends, on 10 August 2016).

Discussion

Based on the explanation above, some important points could be concluded; entrepreneurs in Garut excelled in its self-confidence. Entrepreneurs in Bandung have their strength in openness and persistence being creative to make new design. Entrepreneurs in Tasikmalaya still lack of experience because they just started the business couple years ago, but they eager to learn from other business community like Bandung. Unfortunately no one come to some interviews from Cirebon, this makes difficult to conclude some findings and interpretation.

Uniqueness of characteristics of entrepreneurs of each city was summarized into the following points:

1. Entrepreneurs in Garut tended to have strong capital in terms of financial and material that come from the family or external funding/loan. They also supported by their local government through the rule made by government for all society and tourists in Garut to buy their products.
2. Entrepreneurs in Tasikmalaya tended to eager to learn from business community at another city. They have join some business community in Bandung to broader their knowledge and follow the trends.
3. Entrepreneurs in Bandung tended to be younger than entrepreneurs from other cities. In average, they more knowledgeable and had strong enthusiasm and persistence to make new design. Besides, they have good

skills to communicate and negotiate. They also have strength or advantage in social capital which is networking. This advantage give them more opportunity to expand the business in local and international market.

The starting capital needed by young entrepreneurs in Bandung focused more on their knowledge and passion-enthusiasm to make them persistence in new design processing. Handcrafting industry in Bandung had limited market target due to its product uniqueness. The changing product and consistency of quality became important secret for entrepreneurs to sustain and develop their business. The business might not be instantly successful, but it could slowly develop and survive in the business world until today. Good reputation and branding were other important factor they should strengthen so their business sustained well. In terms of pricing, entrepreneurs in Bandung had higher power; therefore, higher price for their products. This would be caused by the unique design and product variation they offered. This make entrepreneurs in Bandung classified as Innovative Entrepreneur.

On the other hand, entrepreneurs in Garut tended to prioritize monetary and equipment assets, because most of the businesses were family inheritance. They more confidence due to supproting from local government. Besides, since their product is mass-production mostly, design making process for new product is still rare there. The potential local, or locality in Garut make them classified into Fabian Entrepreneur category. In Tasikmalaya, the trend in trying new things as varieties of products started to emerge. Even though it was an attempt to emulate Bandung, the young entrepreneurs in Tasikmalaya were dauntless in developing their ideas in their home city. These locality condition classified them into Imitative Entrepreneur.

Networking was deemed as equally important factor in all three cities, not only in Bandung. The difference among these

cities was the fact that young entrepreneurs had the talent to build networking and nurture it due to the supporting business climate and atmosphere of the city. The numerous communities and well-known schools/universities in Bandung equipped the youths to establish their businesses based on their creativity. Meanwhile, in other cities, there were not many communities, so they start to came to Bandung to join the community. There was a tendency that trend was created and started in Bandung.

Conclusion

The local potential or, locality condition, could be well-developed in business sector of fashion and handcrafting field. It would be better if this local potential is supported by policies made by both local and central government to force all society to use local products. With proper support from the government, SMEs would be stronger and more developed than it was now.

Each city, Bandung-Garut-Tasikmalaya, had their own potential local, their own locality condition. Bandung had high creative climate, supported with big number of communities for business people with huge enthusiasm to make unique design. Garut excelled in their adequate number of labor and equipment (machineries) assets, further sustained by supporting local government; and Tasikmalaya that had local potential in forms of handcraft and culinary products that was continually developed to make new design follow the trend like other city, especially trend from Bandung. To sum up, young entrepreneurs in Bandung are classified as Innovative Entrepreneurs, those in Garut classified as Fabian Entrepreneurs and those in Tasikmalaya as Immitative Entrepreneurs.

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