

*Research Article*

# Global Value Chain on Batik Industry: A Case Study on Upgrading Proseses in PT Batik Keris Surakarta

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*Received 7 September 2021; Revised 3 January 2022; Accepted 6 January 2022; Published Online 8 January 2022*

## Abstract

Batik is an Indonesian cultural heritage that has been recognized by The United Nations Educational, Scientific and Cultural Organization (UNESCO). In addition to being a cultural heritage, many Indonesians' livelihoods depend on through batik crafts. Batik Keris is one of the lead firms in the batik industry in Surakarta, as well as in Indonesia, where it plays an important role in the batik industry and also in preserving the batik culture. This study examines the global value chain of PT Batik Keris and their role as lead firm in the batik industry and their relationship with the Surakarta City Government program. This study uses a qualitative descriptive method by applying the Global Value Chain Concept introduced by Gary Gereffi (2016). Meanwhile, the data was obtained through interviews with related sources and literature studies. The results show that Batik Keris has implemented an upgrading strategy ranging from design to the use of technology to carry out various activities such as fashion shows and Batik Carnivals.

**Keywords:** Batik Industry, Batik Keris, Global Value Chain, Local Economic Development

## Introduction

The city of Surakarta, also known as Solo in Central Java Province, Indonesia, is well known for its batik products and industry. The batik industry in Surakarta has a long history, longer than the city itself, which was established on February 17th, 1745. The history can be derived from the 16th century when the area was under the rule of Pajang Kingdom with Jaka Tingkir as the King from the year 1549 until 1582. During that period, several traditional batik artisans built a settlement in Laweyan Village. This settlement, now called Kampung Batik Laweyan, is still producing batik until today. After the establishment of the Surakarta Sunanate in 1745, a new settlement also developed in the western part of the Sunan Palace (*Keraton*), which was known as Kauman. Previously, Kauman Village supplied clothing to the Sunan Palace, but today it has become one of the centers of the batik industry, named Kampung Batik Kauman. Previously, Laweyan was situated in the outer part of Surakarta city, closer to the former capital of Pajang Kingdom, but because of the city's development, Kampung Batik Laweyan is now situated within Surakarta city (kampoengBatiklaweyan, n.d.).

The two settlements (*kampung*) have different characteristics in terms of batik patterns. Kauman, which was established by an Officer of the *Keraton (Abdi Dalem)*, produces more classical patterns following the *Keraton's* customs. In contrast, the Laweyan settlement consists of ordinary batik artisans, which have no ties to the customs of the *Keraton*. Hence, the patterns and colors of Laweyan batik prints are brighter than Kauman batik prints (Tempo, 2019).

Before the era of colonialism, batik industries have been dominated by Javanese ethnic patterns, however, after the Dutch and Chinese immigrants settled in Indonesia, the two cultures also influenced the batik industries. At the beginning of the 20th century, due to the rise of the influence of Chinese and Dutch batik merchants, the local batik merchants who are mostly Moslem, formed an association called "*Sarekat Dagang Islam*" (Islamic Trade Association) in Laweyan, pioneered by Haji Samanhudi. This association had the purpose of fighting the dominance of foreign ethnicities in the batik industries. This era was also called the golden age of the batik industry in Surakarta because of technological change in batik production from the traditional technique by handmade painting to more modern stamp paintings, which made the process more effective and efficient (kampoengBatiklaweyan, n.d.)

Batik Keris can be said as the leading batik industry in Indonesia today. The history of Batik Keris also began in Surakarta. This company was established by a Chinese-Indonesian batik merchant, Kwee Tjong Djing, who began selling batik by opening a small shop in 1920 in Nonongan near Kauman. In 1947, the business was passed down to his son, Kwee Som Tjok, who has the Indonesian name Kasom Tjokrosaputro. Kasom Tjokrosaputro and his wife, Gaitini, developed the business by producing batik themselves and giving their products the "Batik Keris" brand. However, this company suffered tremendous loss after The Thirtieth of September Movement (G30S) in 1965. The riots targeted Tjokrosaputro's house and shop because he was a member of the Consultative Council for Indonesian Citizenship (Baperki). This organization was commonly known to be strong allies with the Indonesian Communist Party (PKI) (Matanasi, 2020).

After that incident, the stigma that Kasom Tjokrosaputro was a close ally of the Indonesian Communist Party slowly deteriorated, and Batik Keris developed rapidly. In 1972, Batik Keris opened a new store in Sarinah, Jakarta, which at that time was the most luxurious shopping center in Indonesia. Also in Sarinah, Batik Keris held a batik exhibition, showcasing a batik made by President Soeharto's wife, Mrs. Tien Soeharto, and her mother. Two years later in 1974, a garment factory was established in Cemani Village, Sukoharjo Regency, near Surakarta, named PT Danliris (Isnanto, 2018), to supply cloth materials for Batik Keris. In recent years, PT Danliris has developed to become a large company and supplies clothes to famous brands worldwide.

Kasom Tjokrosaputro passed away on 29th December 1976. After his passing, the company was passed down to his three sons, Handoko, Handiman, and Handianto Tjokrosaputro. All of his companies remained under the banner of the Keris Group. However, in 2007, there was an inheritance split to the Keris Group, thus Danliris and Batik Keris split their management. Handianto Tjokrosaputro directed batik Keris, and Handiman directed Danliris. Handoko directed a company called Pondok Solo Permai, a property company formerly owned by the Keris Group (Ampegawati, 2021). Handianto Tjokrosaputro died on December 2nd 2018 (Isnanto, 2018), currently Batik Keris is directed by Handianto's wife, Lina Tjokrosaputro.

As explained in the previous paragraph, Batik Keris is currently the leading market player in the batik industry in Indonesia, which grew from a small family-owned company. Batik Keris also had a difficult time after the September 30th Movement but was able to rise quickly, gaining the trust of many people including state officials to encourage the growth of Batik Keris into a global-scale company. Batik Keris can maintain its image as a high-quality batik producer with its main target being the upper-middle class, thus many stores are located in luxury shopping centers and airports. Batik Keris can be considered as a global company because the production chain not only involve local entrepreneurs, but also foreign companies. For instance, its raw materials, such as cotton, is imported from Brazil and the United States. Finished products made by Batik Keris have also penetrated the

export market. Thus, it can be said that Batik Keris is able to provide added value to a product and market it to other countries.

The purpose of this research is to analyze the global value chain process in PT Batik Keris. Through the Global Value Chain process, the researchers can see the production process from raw materials to finished goods being carried out across national borders. Researchers can also find out the upgrading processes that have been done by PT Batik Keris in developing their companies. Finally, the researchers conclude and provide advice for PT Batik Keris and related parties in the company's development and batik industry development in Surakarta.

## Literature Review

The first literature used by the authors is a journal article written by Dr. Riza Noer Arfani entitled Production Shifts and Upgrading in ASEAN Automotive Production Network. This journal describes the shift in the automotive production network in ASEAN, which indicates the upgrading processes being pursued by the Toyota Motor Corporation (TMC). In this article, Arfani explains that TMC focuses on upgrading, namely interchain upgrading and functional upgrading, which adds value to a product's functions. TMC has the principle of *Genchi Genbutsu*, which means collecting facts directly from the source. *Henzei* has a deeper meaning of self-reflection, and *Kaizen* means continuous improvement. The concept adopted by TMC has a main goal, namely social satisfaction, which refers to functional upgrading that aims to achieve social satisfaction (Arfani, 2018). Social satisfaction is also the main goal of Batik Keris in carrying out various functional upgrading such as workshops in several elementary schools around Solo Raya, as well as various activities involving the surrounding community such as the Solo Batik Carnival. The upgrading efforts carried out by PT Batik Keris proves that functional upgrading provides more added value than manufacturing upgrades. In addition to emphasizing functional upgrading, the authors will also use this literature to analyze the sustainability principles carried out by PT Batik Keris in carrying out a series of innovations to compete in global and local markets.

The next literature used is the journal article written by Yohanes Kadarusman and Khalid Nadvi from the European Planning Studies Journal Vol 21 no 7 (2013). This article explains competitiveness and technological upgrading in global value chains with case studies in Indonesia's electronic and garment industry. In this research, Kadarusman and Nadvi collected samples and conducted interviews with several garment and electronic industries. The interview's purpose is to collect data related to the company, especially the export buyers aboard. After collecting the data, Kadarusman and Nadvi classified the samples into its scale (medium & large manufactures) and company ownership. Furthermore, Kadarusman and Nadvi made a model from one of the companies (Jaya Garment). This research concludes that the garment and electronic industries in Indonesia are often placed into captive (garments) and hierarchical (electronics) governance relationships with their global lead firms. In Indonesia, the electronic and garment firms provide innovative products to those markets by putting their capabilities into practice and improving their capabilities continuously. The firms sell their products domestically and abroad. The domestic and emerging export market provides a greater learning opportunity for Indonesia's garment and electronics firms to progress towards design, product development, and market development functions. (Kadarusman & Nadvi, 2013). Just like other garment companies, Batik Keris also conducted several company upgrading by making innovative products, one of them is the batik cloth mask that is very useful in this pandemic era. However, in contrast to other garment companies, Batik Keris is conducting intersectoral upgrading, one of them in the tourist sector by renovating an old building called "*Omah Lowo*" into a batik museum named "*Istana Batik Keris*". In addition, the export market of Batik Keris is still limited in number, which makes Batik Keris pay more attention to the demand of the domestic market.

The next literature is a journal article titled *The Global Apparel Value Chain, Trade, and The Crisis: Challenge and Opportunity* written by Gary Gereffi and Stacey Frederick. This literature explains how MFA (Multi Fiber Arrangement) policies affect developing countries. MFA is a policy issued by developed countries, namely the United States, Canada and a number of developed countries in Europe in the 1970s regarding the application of quotas and tariffs for textile products that will be applied to these countries. It of course affects the economy of developing countries, that make textile exports as their main policy. MFA policies have led to an economic recession due to falling demand, as happened in China, India, and Bangladesh. However, in this case, China and Indonesia were finally able to overcome and emerge as winners due to several strategies that were not only focused on exports, but also focused on domestic needs. The Rresearchers have found similarities between what happened in China, Bangladesh, India and Indonesia through the object of the author's research, namely Batik Keris. As is known for certain, export requirements such as quality, color, and pattern consistency is certainly a big challenge for Batik Keris, which still uses human labor to maintain its value. Export conditions that are difficult to fulfill will ultimately encourage Batik Keris to continue to expand within the domestic market instead of meeting export needs. The researchers also found a gap between the two studies; Gereffi's research explains how MFA policies, in the form of tariffs and quotas, impact the global value chains, while this research focuses on export difficulties due to high export standards. It is showed that export difficulties is not only about export policies such as tariffs and quotas, but also export standards, especially for textile products such as batik. Finally, a more domestic market orientation will be the answer of this problem rather than an export market orientation. (Gereffi & Frederick, 2010).

The next literature is a journal article titled *An Analysis of The Garment Sector of Pakistan within a Global Value Chain Framework* written by Syed Turab Hussain. This article describes the value-added chain analysis in the garment industry in Pakistan, which is a developing country that relies on garments as its main export commodity. In this case, Pakistan as a developing country, which is a non-lead firm, makes technological adjustments to maintain its economy. This article explains that the key to developing non-lead companies is how non-lead companies can make technological adjustments to survive. Hussain's research certainly has a gap with this research. In this case, Batik Keris is a lead firm, and maintains old technology, such as hand-drawn batik still carried out by humans to maintain the cultural value of the batik itself. It shows that each non-lead firm has their own way to survive and gain benefits. Technological adjustments might be one of the way to survive and win global competitiveness, but it is adjusted in their own way to maintain cultural value rather than focus on technological adjustment and export (Hussain, et.al, 2019).

In contrast to Hussain's writings, Goto and Endo (2014) wrote about the difficulties faced by the garment sector in Thailand, especially in relation to the upgrading process. Goto and Endo in their article stated that garment was one of the most prominent industries, especially during the 1980s. However, the industry lost its competitiveness in the 1990s. Goto and Endo found that the garment industry in Thailand was stagnant in its efforts to upgrade. They also find that there is a significant change in the garment industry in Thailand through the Relative Performance Index (RPI), which is calculated because the market exchange rates follow basically the same trend, where they peaked during 1995-97, before finally experiencing a continuous decline, except in 2007. This also shows that regardless of market orientation, there was no significant increase in product value added during that period in the Thai garment industry. Goto and Endo then explained that when the company failed to upgrade, they had no other choice but to cut their factor costs. The stagnation in the upgrading process further causes the garment industry in Thailand to employ low-paid workers. According to Goto and Endo, this situation causes suppliers to move to rural areas where available labor is relatively cheaper. Even after moving to the countryside, they still faced difficulties, so they employed migrant workers from Myanmar. This process is known as the informalization of work, where in the garment industry in Thailand occurs by employing migrant workers and by increasing production through informal sub-contractors or also known as the outsourcing system (Goto & Endo, 2014). Rather than focusing on its upgrading process, Goto and Endo focus more on how

the garment industry cut their production costs, since the garment industry in Thailand had stagnation on its upgrading process. They also discuss deeper about the use of low-wage labor. Meanwhile, this research focuses on how Batik Keris utilizes upgrading processes to gain value added objectives and to obtain the wider market while still maintaining the traditional method of production to preserve the value of the batik itself. This is supposed to be interesting, since in general, many manufacturers applied technological advancements to support their productions, but this situation doesn't occur in the batik industry. This contradiction is expected to be able to complete and give more insights to this field of study.

## **Methodology**

This paper uses descriptive research that aims to understand a phenomenon by describing real situations. In this study, the authors use two data collection methods, that are in-depth interview and literature review gathered from books, journal articles, newspaper articles, and internet articles. This research begins with the introduction that contains basic information, such as the history of Batik Keris. The next chapters show information and analysis about the global value chain of Batik Keris, and the last chapter contains the conclusion. In addition, this research is not intended to create new theories or refute existing theories, but to use concepts and theories to explain a related phenomenon.

## **Global Value Chain**

Global Value Chain (GVC) is a process that includes the farm-to-folk process, which starts from raw materials until the product reaches the consumer. GVC also explains how the added value of a commodity or product reaches consumers. Gereffi also explained about value-added through various upgrading efforts. Upgrading can be defined as the ability of a business actor to innovate in order to increase the competitiveness of products or commodities in the global market. GVC has 4 types of upgrading in this case, namely process upgrading, product upgrading, functional upgrading, and intersectoral upgrading (Gereffi, 2016).

Product upgrading is an innovation carried out to improve quality and add value that emphasizes the satisfaction of the final consumer. Product upgrading can be done by modifying old products, which is then reintroduced to consumers, to add more value and profit from its previous model. Meanwhile, intersectoral upgrading explains intersectoral innovation, which means that the industry begins to expand into other industries outside of the commodities produced or move to a new chain, such as when batik producers make a restaurant or a cafe. Furthermore, functional upgrading refers to value-added activities, including labeling, branding, and RnD activities to achieve social satisfaction. Social satisfaction reflects customer satisfaction in relation to the product they bought. Social satisfaction is not only about product upgrading in terms of manufacturing, but also underlines how a product's branding adds to the value of the product. It could be noted that social satisfaction has big role in leading customers' opinion and consideration to buy certain products. (Gereffi, 2016).

## **Research Question**

How is value added in PT Batik Keris processed in the value chain?

## **Global Value Chain Analysis on Batik Keris**

The value added process in a value chain includes upstream-downstream processes or inputs and outputs. In this study, the author attempts to analyze PT Batik Keris from the upstream to the downstream process, as one of the leading firms in Indonesia's batik industry. According to interviews conducted with Farida Ampegawati, PT Batik Keris uses wax and textile dyes from local sources, while plain cloth or white cloth rolls used for batik are obtained from several textile factories in Solo and surrounding areas such as PT Dan Liris Solo, PT Sri Rejeki

Isman, PT Duniatex, and PT Tyfontex (Ampegawati, 2021). In the production process, PT Batik Keris focuses on two types of batik, namely stamped batik and written batik. PT Batik Keris has its own stamping machine and female artisan who has been trained to apply the art of batik, specifically hand-drawn batik, to maintain its value.

PT Batik Keris also produces printed batik in addition to written batik and stamped batik. However, in this case, PT Batik Keris leaves the processes to its vendors. In its marketing efforts, PT Batik Keris focuses more on meeting domestic demands than export demands, where only 15% of production is allocated to meet foreign demands such as America, Japan, etc. The export products of PT Batik Keris are in the form of ready-made clothes such as t-shirts and shirts. The patterns are also adjusted to the export destination country, such as producing a Hawaiian patterned t-shirt, which is Batik Keris's export commodity to America (Ampegawati, 2021). Besides focusing on functional upgrading such as workshops and annual events, such as the Solo Batik Carnival and Solo Batik Fashion, PT Batik Keris also carries out functional upgrading in its social and environmental spheres, which will be explained in the next sub-chapter. The social-environmental-based upgrading carried out by PT Batik Keris is to make waste management a form of the company's efforts in actualizing a sustainable industry.

In addition to waste management, PT Batik Keris also visits schools, ranging from Elementary School (SD) to Senior High School (SMA) around Surakarta. This is held to invite the youth to know and love local culture, namely batik, from an early age. In addition to Batik workshops and waste management, PT Batik Keris also revitalizes the cultural heritage of Omah Lowo to be utilized as a Batik Keris museum, which will be explained further in the next chapter. As a lead firm, PT Batik Keris also has good relations with other batik industries such as Kauman and Laweyan. In addition, PT Batik Keris collaborates with Micro, Small and Medium Enterprises (MSMEs) in Solo and surrounding areas through consignment cooperation. Various MSMEs provide their creations to Batik Keris to be labeled and then sold to consumers. The consignment products sold are mainly accessories and handicrafts. Compare to when Batik Keris was still a small business, today Batik Keris has gained a lot of customers driven by their upgrading strategies that add value to their product.

### **Batik Keris Functional Upgrading on Design**

According to an interview with Farida Ampegawati and several literature, PT Batik Keris performs functional improvements, defined as efforts to increase the value of goods by changing activities within one company or changing positions in the GVC chain. To increase the value of the product sought, Batik Keris has taken various steps and breakthroughs. The activities carried out have an important contribution in maintaining the values contained in the batik. The author categorized functional upgrading into several categories, including design, application of technology, and carrying out activities that pay attention to social and environmental aspects.

Batik Keris constantly innovates in the design aspect, so they have many alternative designs offered to consumers. This step was taken by collaborating with well-known local designers in Indonesia. One of the designers who collaborated with Batik Keris is Ferry Sunarto. Ferry Sunarto and Batik Keris are trying to combine batik patterns from Japanese and Indonesian culture. Without leaving a fresh and edgy impression, this blend aims to adapt to a trending style so that it can attract "millennials" interested in batik (Batik Keris, 2018).

Moreover, Batik Keris also collaborated with international designers. For example, in the 1970s, Batik Keris collaborated with well-known designers such as Nina Ricci, Tan Giudicelli and Jean Louis Scherrer (Solotrust, 2019). This strategy shows that Batik Keris is fully committed to innovation. Nevertheless, they still maintain the characteristics of batik itself. In an interview with a Solopos journalists, the Commissioner of Batik Keris, Lina Handianto Tjokrosaputro, explained that Batik Keris continues to create modern products but still maintains a collection of silk, primisima, and polyester with up-to-date models for men, women, teenagers and children (Yuniati, 2017). In this context, it should be noted that one of the main values of batik lies in its authenticity,

therefore, it is very important to maintain its distinctive features that distinguish Batik from other types of fabrics. Meanwhile, it is also important to adapt batik to growing trends in society. When viewed from the model, Batik Keris products are packaged according to market needs. For example, batik can not only used for formal events, but it can also be worn for more casual events, therefore the batik is designed as casual clothes. In fact, Batik Keris also innovated by making batik as a jacket. In this case it can be understood that the use of Batik is very flexible and can adapt to market needs.

Moreover, Batik Keris also collaborated with Disney International in order to upgrade its product design. The former commissioner of Batik Keris Hadiano Tjokrosaputro at the time, explained that this step was an effort to rejuvenate Batik Keris, aiming towards children as the main target market for the collaboration. The patterns contained in the design combines the Mega Mendung Batik pattern with the head from the Mickey Mouse cartoon series (Tempo, 2012). This is important considering that it is crucial to innovate to attract interest from various markets, which is not limited to those who are interested in batik, but also the public, especially millennials. Nowadays, batik has also become a trend when its use is intended for formal events and more informal activities. Meanwhile, the value of batik itself also lies in its authenticity, so it is also essential to maintain what has been the hallmark of batik itself.

### **Batik Keris Functional Upgrading on Event Organizing**

Apart from the design aspect, Batik Keris has made other breakthroughs in boosting its sales and preserving batik. This step was taken through organizing various fashion show activities. According to Farida Ampegawati, Batik Keris has collaborated with local designers and MSMEs to organize fashion shows (Ampegawati, 2021). For example, in 2016, Batik Keris held a showcase of their products through a fashion show held at the Solo Grand Mall. In the fashion show with an Indonesian Heritage concept, Batik Keris displayed more than 60 clothing models consisting of 6 series, including family, Chinese New Year, traditional printing, children, sogan from prissima, and super silk and chiffon. On the occasion, the President Commissioner of Batik Keris, Lina Tjokrosaputra, said that his party took the theme of Traditional Batik, which was packaged in a modern form without leaving the uniqueness of batik itself (Wahyu, 2016).

In 2017, Batik Keris held a fashion show entitled Pelangi Nusantara. In addition to batik, Batik Keris has also been developing the Keris Griya brand. Products such as handicrafts and souvenirs were produced, consisting of wood, ceramics, rattan, bag craft production, and handicrafts for home equipment. In addition, since 2011, they have also developed business in other fields such as Keris Snack, Keris Mart, and Keris Café (Yuniati, 2017). In this context, we can say that Batik Keris has made various efforts related to functional upgrading by changing their activities. In the beginning, Batik Keris produced and sold batik, and later expanded their activities through hosting various events such as fashion shows, as well as developing their business in other sectors.

Meanwhile, local government's policies, which in this case is the Surakarta City Government, has made various efforts in preserving batik and introducing batik for the industry in Surakarta to flourish. Through an interview with a member of Fourth Commission of the Surakarta Regional House of Representatives (DPRD), Dinar Retna Indrasari, the efforts of the Surakarta City Government (Pemkot) can be seen in holding various major events such as the Solo Batik Carnival and Solo Batik Fashion (Indrasari, 2021).

Solo Batik Carnival (SBC) is a Batik parade held along Jalan Slamet Riyadi Surakarta. Before the global COVID-19 pandemic, SBC had been conducted for 12 consecutive years in 2019. At that time, the 12th SBC event held the theme "Suvarnabhumi the Golden of ASEAN." The event invited participants and representatives from Southeast Asian countries. One of the strategies aim to introduce the tourism brands of each country, including Indonesia (Wonderful Indonesia), Thailand (Amazing Thailand), Vietnam (Timeless Charm, Vietnam), Malaysia (Truly Asia), Philippines (Kay Ganda Philippines), Singapore (Passion Made Possible), Myanmar (Be Enchanted, Myanmar), Brunei Darussalam (The Green Heart Of Borneo), Cambodia (Kingdom Of Wonder Cambodia), Laos

(Simply Beautiful Laos), and finally Timor Leste (Being First Has Its Rewards) (Dinas Pariwisata Surakarta, 2019).

In this context, it can be understood that batik is used as a way to promote Indonesian tourism. In such a way, batik is packaged in the form of attractions for the public, in order for the public to become aware of batik. Through this activity, the Surakarta City Government often collaborates with Batik Keris. For example, at the 2015 event, Batik Keris collaborated with the Police Academy and the Surakarta City Government by presenting marching band attractions in commemoration of the national Batik Day. One of the event organizers, Sumartono, emphasized the importance of the modification and evolution in batik so that the community can incorporate batik. This activity was one of the ways to do so. (Widodo, 2015). The event was certainly important for the Batik industry in Solo, since it can raise public awareness regarding Batik preservation. This, at the same time, it can arouse feelings of pride in the community towards batik as Indonesia's cultural heritage.

Solo Batik Fashion (SBF) is a clothing show event held in a public place. One of the commitments of the Surakarta City Government for this event was demonstrated by organizing a virtual SBF during the pandemic. In the midst of limited mobility, the Government remains committed to holding these activities. The performance, which was held at the Sumaryo Grand Ballroom, The Sunan Hotel Solo, held the theme "The Enhancement of Batik Nusantara". One of the interesting goals for this event was to make Solo as the Batik Centre of the World. The show was broadcast live through the Youtube Channel of Solo Tourism and Solo Batik Fashion Solo, as well as through their official Instagram, and enjoyed by various batik lovers around the world, such as in Canada, Suriname, the Netherlands and Finland (Dinas Pariwisata Surakarta, 2020). Both SBC and SBF are part of the Surakarta City Government's efforts to introduce batik to the public and the world, with a local focus to the Surakarta area.

Both events are important for the batik industry in Surakarta, considering that the event's purpose is for batik to be better known by the public. Moreover, this is important to preserve batik as a cultural heritage. This is appropriate with the motto of Batik Keris written in Javanese, Melestarikan Budaya Nusantara or in English means preserving the culture of the archipelago. Both festivals gave insights to the public that batik can be packaged in various and even modern styles. This also means that batik can be designed to follow market taste and trends developing in society. The enthusiasm can be seen when the events are held, where people flocked to watch the performances. In other words, this can impact the branding of each brand when they decide to participate in the festivals.

### **Batik Keris Functional Upgrading on Technology Implementation**

In this aspect, batik can be different compared to other commodities or products. The application of technology in the process of making batik can actually cause a conflict of value. Batik comes from the Javanese language, which consists of the word "amba" which means writing, width or area and "tik" which means point. In other words, batik is the art of writing dots using candles and wax (Supriono, 2016). According to this concept, it can be understood that the main value of batik lies not in the pattern, but in the creation process. Thus, the use of technology in batik production process can actually reduce the value of Batik, whereas batik is categorized to be authentic if the manufacturing process still maintains traditional methods of creation. Quoted from its company profile, Batik Keris still maintains traditional batik techniques, namely written batik and stamped batik. However, it is important to underline that the value of batik is central to the way it is created, since the meaning of the word "batik" is the art of writing dots (Supriono, 2016). Even though the application of technology can help the efficiency of the production process, the authenticity of batik will decrease because of it.

According to Farida Ampegawati, the production process involving the use of machines is carried out before the batik process begins, that is when processing cotton into cloth using a weaving machine, which is then used in the batik-making process (Ampegawati, 2021). The application of technology in Batik Keris is also carried out in the promotion processes and transactions related to Batik Keris products. Batik Keris has social media that have



tens of thousands of followers. On Instagram, Batik Keris accounts can be found under the @Batikkerisonline, @Batikkerisindo, and @heritageBatikkeris accounts. While on Facebook, it can be found with the account name BatikKeris and on Twitter with the account name @BatikKerisIndo. Technological developments encourage information to spread more quickly, so the use of social media can increase opportunities for product sales.

Meanwhile, in the field of e-commerce, Batik Keris uses several payment platforms such as MasterCard, Visa, JCB, and American Express, which have security guarantee features in transactions such as MasterCard Secure Code, Verified by VISA, JCB J/Secure, and American Express Safe Key (Batik Keris, n.d). The application of technology in this context was emphasized by Lina Tjokrosaputro. Batik Keris started to improve in the e-commerce field and developed the Batik Keris Online network, so that it could reach markets from Papua to foreign countries without having difficulty in finding outlets (Yuniati, 2017). This ease of transaction access is another form of functional upgrading to expand the market share of Batik Keris. In other words, the application technology will be more useful when it is applied in the transaction process rather than in the production process. This strategy is expected to make Batik Keris able to reach broader markets, such as Papua or foreign countries.

### **The Batik Keris's Intersectoral Upgrading Strategy**

Batik Keris didn't stop on efforts of upgrading the design, events organizing, and technology application as explained above. In recent years, Batik Keris has also revitalized a building known to the people of Solo as "Omah Lowo". It is called so because the building, which was previously located in the corner of Purwosari, was infested with bats due to neglect. Later, Batik Keris renovated the building and turned it into a batik museum known as the Batik Keris Palace. The Batik Keris Palace consists of 3 buildings, namely Building A, Building B, and Building C. Each area is designated as a Batik gallery, shop, and cafe. Before being renovated by Batik Keris, the Surakarta City Government wanted to purchase the building, but in the end, the building returned to its original owner. According to Lina Tjokrosaputro, it is expected that the revitalization of the building can become a new tourist destination as well as an effort to preserve batik and maintain cooperation with MSMEs in line with the local government program. This was also conveyed by the previous former mayor of Solo, FX Hadi Rudyatmo. He promised that small artisans could present their work in the museum so that it could be enjoyed by the middle to lower class (Bengawan News, 2020).

In this context, it can be understood that Batik Keris is doing intersectoral upgrading. First, they innovate in their activities by developing a museum and selling Indonesian drinks and snacks in the cafe in Batik Keris Palace. The presence of the Batik Keris Palace provides a new alternative tourist destination in Surakarta, which can increase the attractiveness of Surakarta, especially when Solo is known as a tourism city. This is a synergy between the private sector (Batik Keris) and the Surakarta City Government in developing tourism in Solo. Moreover, Solo has a relatively large culinary potential and is known as a festival city. Therefore, this will be very potential to attract more tourists to visit Solo.

According to the latest information, Batik Keris has conducted a collaboration with the Indonesian Embassy in Tokyo in organizing "Indonesia – Japan Batik Talkshow: Revitalizing Batik Creative Industry". They organized the event since batik exports increased 150% with the value US\$151.434 during the pandemic. Therefore, an Indonesia-Japan batik pattern design competition was held, which received positive enthusiasm from fashion players in Japan to adapt batik into their designs. According to the Ambassador of Indonesia in Tokyo, Heri Akhmadi, this is a step to penetrate the Japanese market, and also to attract Japanese young designers to adopt Indonesian batik patterns and elements of Japanese culture in their works (Kemlu, 2021).

### **Challenges During the Pandemic**

It is known that Batik Keris as one of the leading firms of the Batik industry highly maintains the value of Monday

Batik and one of the Javanese mottos, namely "nguri-nguri budaya jawa", it means that Batik is part of Javanese culture. In this case, PT Batik Keris deliberately chooses batik artisans who are aged. Apart from being trained to produce superior quality batik, this is done to maintain the art of batik. However, this might potentially be a problem in the future when the older generation would no longer be able to make batik, meanwhile having no successor. For this reason, we recommend Batik Keris to collaborate with local universities in Surakarta, especially with the Textile Department at Sebelas Maret University and the Batik Department at Surakarta Institute of Art. In those departments, many students from the younger generation understand textiles and batik, thus providing potential to become successors of the previous generation.

In addition to these problems, Batik Keris also experienced difficulties in exports due to the difficulty and high export standards determined by the destination country. This is related to the production process, which is still manual and uses human labor in stamped and written batik techniques, making it difficult to match the colors and patterns requirements for exports. This finally prompted Batik Keris to focus on meeting domestic demands instead of export demands. This is a challenge for Batik Keris to continue maximizing its production results both in quality and quantity, which can be done through continuous upgrading efforts.

From 2020 until today, the world was hit by the COVID-19 Pandemic. Worldwide, the pandemic changed the way we conduct our social lives. All businesses were forced to adapt to these changes, and Batik Keris was no exception. Batik Keris targeted consumers from the upper-middle class, thus their stores were commonly found in the airport and middle-to-upper-class shopping centers. Travel restrictions carried out by the government made the sale of Batik Keris decrease significantly. In order to survive, Batik Keris pioneered its online sales site on <https://batikkerisonline.co.id/> and provided many promotions such as free shipping throughout the Java Island and shipping subsidies for those outside Java or with a minimum purchase. The mask regulation also prompted Batik Keris to produce Batik Cloth Masks. In the beginning, the mask was marketed through wholesale with an order of at least 500 pieces (Kumpanan, 2020.). Currently, Batik Keris masks can still be bought through Batik Keris's online sales site and also at Batik Keris Retail Store.

## Conclusion

Batik Keris is one of the leading firms in the batik industry in Surakarta, Indonesia. Batik Keris underwent a long history until they became one of the most popular batik brands in Indonesia. With a motto of preserving the nation's culture, Batik Keris has conducted upgrading in various aspects, starting from design, technology application in transaction and marketing processes, participation in events and festivals, tourism revitalization of a historical building, and collaborating with MSMEs and the government. These upgrading strategies made Batik Keris exist until the present day, with outlets spread in many regions in Indonesia, such as in shopping centers and airports. Moreover, they try to follow the developing trends, and adapt the batik with fashion trends so that their products can attract the current market. The way they preserve their traditional method in producing batik is one of the important reasons for their success in the batik industry, since the value of batik is central to its production using the writing technique as a traditional method of producing batik. Finally, they have succeeded in maintaining their product quality and continue to obtain trust from the market.

## Acknowledgements

This article does not receive funding from any party.

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