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## The Development of Entrepreneurship in Creative Industries with Reference to Bandung as a Creative City

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### Abstract

Creative industries have been growing and developing in many parts of the world, especially in developed countries. The development of creative industries in certain countries more or is less connected to their own cities. The term creative industries had just been known in Indonesia in the year 2007, when the Ministry of Trade of Indonesia published the Creative Industries Study of Indonesia. Since then, the area of the creative industries has started to be looked at by not only the government, but also by academics and practitioners.

As the capital of West Java Province, Bandung is said to be a creative city, and becoming a pilot project that later will become a model for creative industries in Indonesia. Many theories suggested that Bandung had all the potentials. Previous research indicated that most of the creative industry businesses in Bandung were categorized as small and medium enterprises, also some of them were less developed, so the industrial growth in Bandung on the medium and even large scale was not significantly seen. Considering that, as a country, in order to boost the economic condition, Indonesia needs to increase the number of entrepreneurs at medium-scale at the very least. Referring to the challenge stated above, we wished to focus this paper on two general questions, namely on how to develop entrepreneurship in the creative industries in Bandung and how local characters (e.g. quality of life and the education system) of Bandung will impact the development?

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**1. Introduction**

Ever since the introduction of the term in 1998, creative industries has become a mantra in relation to the potential contributor to economic development. The term was first initialized by the Department of Culture, Media, and Sport (DCMS), United Kingdom (UK), in order to classify thirteen sectors, which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property (DCMS, 1998).

In 2008, a research by School of Business and Management (SBM) was conducted in mapping the creative industries in Bandung. Some of the findings showed that, most of the creative industry businesses that were surveyed employed less than ten people in them (70%). Only four percent of the companies were categorized as big companies because they employed more than 100 people. And the remaining 26 percent of the companies employed between 10-50 people.

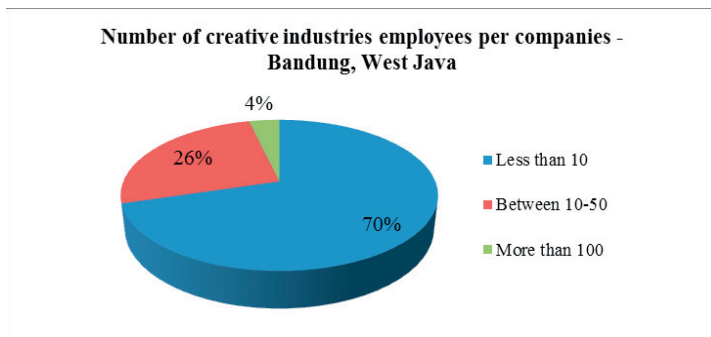


Fig. 1. Number of Creative Industries Employees per Companies in Bandung (2008)

Having discussed about the potential, the project also investigated on other business aspects of the companies, such as their turnover per year, their sources of material for the products, and their target markets. The results on the business turnover, it was found that business turnover per year for the creative businesses in Bandung are equally distributed. The top two categories are in the range of \$50,000-100,000 per year (22 percent) and \$500,000 – 1 million a year (15 per cent). This issue showed the potential that Bandung has in creative industries to grow. The large turnover is somehow related to the fact that there are abundant visitors coming to Bandung especially during holidays. Besides, some of the creative businesses are capable of increasing their marketing to the national even international scale. Even so, the finding shows the next categories of business turnover with the income of \$5,000-10,000 per year and less than \$5,000 a year, each has 11 percent. This means that many of the creative businesses in Bandung still need assistance in developing their business (For currency converter, \$1.00 US is roughly equals to Rp 10,000 Indonesian Rupiah (IDR)).

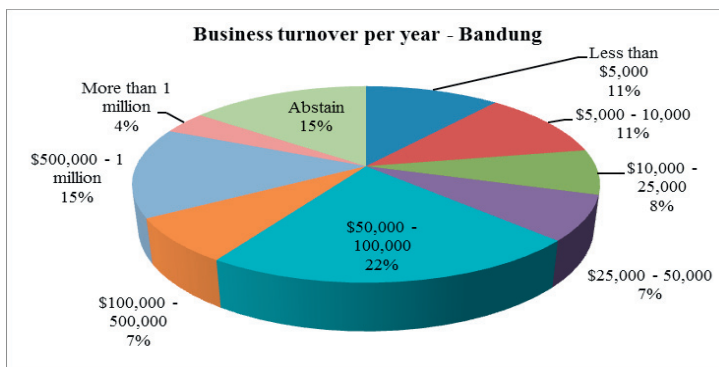


Fig. 2. Business Turnover per Year in Bandung (2008)

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