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## TEXTILE INDUSTRY ISSUE IN PANDEMIC OF COVID-19

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### **ABSTRACT:**

The rapid spread of COVID-19 has indeed changed the interaction between businesses and customers. Many businesses are starting to feel a drastic drop in sales or even no customers at all because customers have started activities in their respective homes. However, business continuity must still be done so that the business can be sustained. Maintaining a business that means fighting for sales during the COVID-19 pandemic is not easy. Many are wondering how businesses will sell products in the coming weeks or months. A powerful and effective strategy in increasing sales of goods, especially textiles, can use a variety of methods, systems, and innovations. The strategy referred to is (1) the use of technology, such as smartphones. (2) Create a proper sales pitch. Through the above technologies, we can carry out appropriate and attractive sales promotions. (3) Creative sales techniques. In addition to promotions that we use properly, create creative sales methods or techniques. By keeping customers looking at our techniques in presenting our textile products. Whether through sad, funny, or unique videos, through funny memes, and various other ways. (4) Don't panic and don't stop selling.

### **INTRODUCTION**

The industrial sector plays an important role in encouraging economic growth, poverty alleviation, and job creation to reduce high levels of unemployment (Agusalim, 2017). International trade will increase the average productivity of all industries but industries with a comparative advantage will enjoy greater productivity increases (Setyari, 2017). The textile industry is one of the many industries in Indonesia which is experiencing rapid development. In this industrial sector, it can produce clothing products needed by the Indonesian people. This industrial sub-sector plays a very important role in the national economy. It can be seen that in 2014 the textile and textile product industry

contributed to a GDP of IDR 138.76 trillion or 6.26% of IDR 2,215.75 trillion of GDP contributed by the non-oil and gas processing industry (BPS, 2015). The textile industry and textile products are one of several industries that are labor-intensive (Aprilianto, 2018).

In today's life, we cannot be separated from an object that comes from textiles. Even many objects around us are made up of textiles. For example, clothing, doormats, custom fabrics, and others made of textile materials, both structural textiles and other types of textiles. Textiles have developed since the existence of a regional culture that uses simple regional fabrics, starting from easily brittle plant fibers. However, due to the brittleness of these fibers, synthetic fibers are made which are stronger to make a fabric to strengthen them. Textiles are defined as materials originating from fibers by processing them into staple (short fiber) or filament (continuous fiber) spinning yarns which are then carried out by weaving (woven), knitting (knitting), or belting (pressed) to form fabrics that can be used textiles. Textiles are made by tying, sewing, and embroidery. The term textile is still common in people's ears as cloth (Fauzi, 2019).

The word textile in Indonesian is an absorption word from English *textile*, although the word textile itself is known to come from the Latin word, *texere*, which means sheet. The old Indonesian term for cloth is something that is worn or clothes and becomes the word for cloth, while for textile in a general sense it is called mind, but the word is rarely used, so in Indonesian today the term cloth or mind is called textile, although there are differences in meaning between these two terms, namely textile can be used to refer to any material made of woven (yarn) while the cloth is the finished product, which can be used or worn. The beginning of humans to make textiles is not known with certainty but is thought to have started by humans in mainland Asia, at the same time humans in mainland Europe were still dressed from fur skins. In the present sense, textiles are flexible sheet materials made of yarn from the result of spinning short fibers (staple) or continuous fibers (filaments) which are then woven, knitted, or by fusing sheet-shaped fibers using or without pressed adhesive (called non-woven fabrics). The motifs and use of textiles as clothing are formed by embroidery, sewing, tying, and so on.

Textiles have become common everyday items, however, the existence of textiles in history has always intersected with culture, power, politics, conquest, and often wars or depicts the atmosphere of peace and prosperity of the people. Likewise, the manufacture of yarn from fiber began when and by whom it is not clear, but historical evidence shows, among other things, that weaving has been known since about 4,000 years BC in Egypt, the cultivation of flax (a type of natural fiber) in Europe has existed before Christ and murals in Europe from the second century AD depict a Madonna knitting. Historical findings from about 3,000 years BC are woven cotton motifs on a silver vessel in Pakistan.

For centuries, China kept the existence of silkworms secret as a producer of silk filaments, until one day an Italian in the middle ages named Marco Polo managed to smuggle silkworm cocoons in his cane and then cultivate these

caterpillars in his country. In Nusantara culture, it turns out that Sundanese weavers occupy a respectable position, for example in the legend of Sangkuriang in West Java there is the weaver's name Dayang Sumbi which means a woman descended from a goddess or *dahyang*, while *sumbi* means part of the loom used as a barrier to woven motifs, also known as the story. Grandma Anteh, a yarn maker (Anteh means curling or twisting cotton thread) is said to have her shadow appear on the moon when the full moon. In the old manuscripts, for example in the Pararaton fiber, it is written that the first Majapahit king who had the title King Kertarajasa bestowed a *gringsing* cloth as a sign of his commander for war and the statue of King Kertarajasa himself wore a *kawung-patterned batik* which looked smooth. In various tribes in Indonesia, the traditional cloth becomes a person's prestige and the cloth is passed down from generation to generation. From these historical facts and stories, it seems important to study textile knowledge so that various things can be known. Likewise, to prepare for the future, textiles have a more important role in the future, among others, textiles have become part of lifestyle and technology because textiles are not only used as clothing but also for textiles in industry, medical purposes, as geo-textiles., namely textiles for supporting soil structures, for space suits, car racers, military textiles, and various aspects of life and culture in the future.

Strong economic growth and increasing purchasing power make Indonesia, the world's fourth most populous country, an attractive market for textiles and clothing. Local and foreign companies compete for market share. Rising costs put domestic producers in trouble as they seek to fend off competition abroad, but technological modernization, improved workforce skills, better infrastructure, and a lot of relatively low rupiah change the picture in their favor. The need for the Indonesian textile and clothing business to become a more efficient mantra opportunity for foreign companies that can offer machinery, knowledge, and capital. Many of the largest registered textile and garment producers in Indonesia have been actively raising funds through the capital market for investment in new factories.

According to the Central Statistics Agency (BPS), Indonesia's fabric, apparel, textile, and apparel production provided around 1.1 million jobs in 2012 making it one of the most important elements of the country's manufacturing sector. It contributed nearly 2% of the national GDP and more than 7% of the country's total exports in 2013. The industry is still concentrated near the capital Jakarta on the western tip of Java Island, but Central Java and East Java are becoming increasingly important. Local textile producers are almost entirely dependent on imported cotton because domestic farmers are unable to meet even 1% of national demand. This makes yarn spinners vulnerable to global price fluctuations and has forced several small businesses to close shop, even though the larger ones are in a stronger position thanks to greater stocking capabilities and better access to capital. As is well known, cotton is sourced from various countries, led by Brazil, the US, and Australia to be spun in Indonesia and then exported as yarn or further processed into fabrics and clothing. The main buyers of yarn from Indonesia are China and Japan, while textiles and textile products mostly go to the US, EU, and Japan.

Although most of the several thousand Indonesian textile businesses sell their goods only on the domestic market, the bulk of Indonesian-made clothing is shipped overseas, with many large companies producing clothing for global brands. The importance of China as a growing target market. At the same time, China is the main source of textile products entering Indonesia, followed by South Korea. The process of regional economic integration is arranged to make it easier for foreign companies to remove their clothes from the Indonesian market. Batik textiles are a way for domestic companies to differentiate themselves as producers of 'authentic' Indonesian traditional fabrics. However, batik represents but a market niche in the global textile industry. One of the main strengths of the sector is the rare existence of the upstream and downstream industries, both of which are well developed. Many of the largest registered textile and garment producers in Indonesia have been actively raising funds through the capital market for investment in new factories as well as for company acquisitions to complement their upstream or downstream activities. Indonesian textile companies are rapidly adjusting to international industry standards by making the investments required to achieve certification such as ISO 9001 and gain recognition for sustainable and environmentally friendly production. This has enabled the market to attract leading global fashion brands with guaranteed quality, best practices, and fast response times.

Indonesian textile and clothing companies are under intense pressure from Chinese products which are often cheaper and of comparable quality. At the same time, domestic producers face increases in electricity rates and labor costs. Sharp increases to the minimum wage came into effect in 2016 and 2017. According to news reports, more than 60 textile companies have decided to move their operations from industrial estates around the capital to the Java region where delivery costs are lower. Several companies are reported to be looking to reverse their situation in Indonesia, and their numbers could grow if the minimum wage continues to rise at levels that seem excessive in comparison to productivity gains. On the other hand, what is expected is that the higher the sales value, the higher the income. The income referred to here is the net profit before being deducted by other expenses. As a result, the higher the revenue received by the company, the higher the profit received. Conversely, profits will be lower if production costs, operating costs, and marketing costs are higher. However, this is very difficult to achieve.

Strikes and worker rallies halted operations several times, raising warnings among investors. The government should seek to reconcile employers and employees in the textile and other labor-intensive industries and use its public voice to resist unrealistic wage expectations. Otherwise, Indonesia could lose its wage advantage, a factor that attracts firms from high-cost countries like China. Against a backdrop of lower growth and higher inflation at home and continued fiscal restructuring in Europe, the Indonesian Textile Association (API) expects the industry to make little progress. However, weak domestic or overseas demand is only a temporary concern. In the medium term, the country's good economic fundamentals, its young population, and its location in a region of fast economic development indicate good prospects for sales of textiles and clothing. By 2030, a survey by HSBC forecasts that textiles will

be Indonesia's largest export sector, thanks - to the interesting ones - to the country's large, low-cost workforce. However, to take advantage of this prospect, many domestic manufacturers will need to modernize their sometimes decades-old equipment with huge investments. The government is supporting industrial revitalization by providing financial incentives to persuade textile and clothing businesses to invest in new machinery.

Several major Indonesian garment makers, including leading exporters such as Sri Rejeki (Sritex), are increasing their capital expenditures to strengthen themselves to increase competition around the world. This promises attractive sales opportunities for global players who can supply advanced machinery and expertise in production techniques to facilitate more value-added applications such as for industrial use textiles. Overhaul of equipment in Indonesia's textile and clothing industry requires good access to finance, which is something domestic banks are often reluctant to provide or are only willing to provide at exorbitant prices. This presents an opportunity for foreign companies to enter into breaches. Partnerships with local companies, including joint ventures and private equity investments, could help the Indonesian industry raise its game while allowing foreign investors to participate in what could be one of the leading textile and apparel markets, both for production and sales.

To start a textile business, the first step is to take, which is we have to start contacting manufacturers and suppliers to determine the type of fabric that we want to transport. To do this, we need to have a good knowledge of the world's major textile centers, global textile market sizes, fashion design agencies, etc. From which we can buy high-quality products for our shop at a reasonable price. The geographic distribution of production in the *textile, clothing, and footwear industries (TCF)* has changed dramatically in the last 25 years, resulting in significant job losses in Europe and North America and significant advances in Asia and other parts of developing countries. Currently, more than 60 percent of the world's garment exports are produced in developing countries. Asia is the world's leading supplier today, producing more than 32 percent of global clothing exports.

### ***Theoretical Basis***

The strategy is an action that is all related to the implementation of ideas, planning, and execution in activities that have a certain period. Kaplan & Norton (2000), suggested that there are their best examples of putting the five principles of Organization Focused Strategy into practice. "(The five principles are: translating strategy into operational terms; aligning organizations with strategy; making strategy the daily work of everyone; creating a sustainable strategy process; and mobilizing leadership for a change). According to Stephanie K. Marrus (2002) stated that "strategy is the process of determining the top leaders' plans that focus on the long-term goals of the organization, along with the preparation of a way or effort to achieve these goals." Hamel & Prahalad (1995) stated that "strategy is an incremental (always increasing) and continuous action, and is carried out based on the point of view of what customers expect in the future. Thus, strategy always starts with what can happen and does not start with what happened. "It is explained strategic management can be defined as the art and science of

formulating (formulating), implementing, and assessing cross-functional decisions that enable an organization to achieve its goals (objectives). In the process of achieving a strategy, it will be influenced by several factors, namely the type and structure of the organization, leadership style, external environment, and the production process. These factors will influence the policies to be taken.

For most, some have a too narrow view of where to adjust marketing with sales. Sales are a small part of the activities carried out in marketing. Marketing itself has another meaning, namely identifying the wants and needs of market consumers, their goals, and how to satisfy them through the process of exchanging information while still paying attention to the goals and desires of all related to the company. The notion of marketing can also be a social process in which individuals and groups get what they need and want by creating, offering, or exchanging products or services of value to other parties. Success in the marketing process is very easy if there is a marketing strategy that uses all components of the marketing tools that we often use with the marketing mix. Marketing strategy has a broad meaning, and can also be described as an activity carried out by an organization or company to achieve the goals of an organization or company. Marketers aim to serve and provide for the needs of the community so that community needs are met and community satisfaction is created (Debora, 2020). A very broad marketing strategy can be divided into several simpler terms. According to Kotler (2012) in general, the marketing mix emphasizes the notion of a strategy that integrates Product, Price, Promotion, and Place, all of which are directed to be able to produce maximum sales turnover for products marketed by providing satisfaction to customers. These 4 things, if complemented by a good strategy, are believed to be able to improve and optimize the marketing strategy. One of the factors affecting sales volume is the performance of the marketing strategy. Research conducted by Wangsa (2019) revealed that strategic marketing integration has a positive effect on marketing performance.

## RESEARCH METHOD

This research was conducted at textile companies located in the city of Bali. The type of data used in this study is a qualitative approach, in the form of sentences or words in both written and spoken form. Primary data will be obtained through direct informants obtained through the field. Researchers will go directly to the research site to collect this data. Secondary data is data obtained from reading books and literature, the data is in the form of a theory that will help researchers to get to know more about their research. In this study, the research informants were selected using a cluster random sampling technique where the technique was randomly based on a certain area. The following is a list of informants who will be interviewed.

**Table 1** The Company Name, Subdistrict, and Address

No	Company name	Region/Subdistrict	Address
1	Wulan Busana	Batubulan	Jln Raya Batubulan No 88 Sukawati Gianyar
2	Toko Nyoman	Tabanan	Jln Mohammad haji Thamrin, No. 52 Kediri
3	Lala Moda	Denpasar	Jl. Penyarangan No.9A, Sanur Kauh, Kec. Denpasar

The study will conduct in-depth interviews with informants to obtain the required data. In this interview process, the author asks questions that are relevant to the issues raised. For in-depth interviews to take place in a directed manner, interview guides need to be drawn up which contain key thoughts related to the problem to be studied. Data collection was carried out by conducting interviews with parties related to the interview process to informants, sometimes out of the context of the interview guidelines that had been prepared, so data reduction was necessary. Presentation of data is carried out on data obtained through the process of interviewing, observing, and documentation. The data obtained from the interview and observation process is presented through the compilation of narrative text in the unity of form, order, patterns, explanation, interpretation, configuration, and causal flow.

This research design will use a qualitative method. Research that will tend to use analysis. The theoretical basis is used as a guide so that the research focus is following the facts in the field. This research was carried out by conducting direct research in the field. Qualitative research is a type of research where the findings are not obtained through statistical procedures. This study also does not test hypotheses or make predictions. Qualitative methods can provide details of phenomena that are difficult to reveal in quantitative methods.

Data collection techniques used in this study include observation, interviews, and documentation (1). Observation technique is the method that underlies all research to obtain evidence that helps understand the context of the research. Observation requires recording, systematic recording of events, artifacts, and informant behavior, which occur in specific situations (Hamidi 2010)(2). The interview technique is a data collection technique that is carried out by meeting directly with research subjects who are directly related to the object under study. The following is a list of questions that will be used in interviews with informants.

- 1) What is your company strength?
- 2) What is the weakness of your company?
- 3) What is the opportunity for your company?
- 4) What are the threats your company is facing?
- 5) What is the impact of COVID-19 on the company?
- 6) What is the strategy used by the company?
- 7) What is the process of implementing the plan?
- 8) What do you hope to do for the development of the sales system today?
- 9) What is the current New Normal effect in the company?
- 10) What is the process of creating and establishing policies when a company is faced with the COVID-19 pandemic?
- 11) What is the strategy to increase the volume of textile sales faced with the Covid-19 pandemic?
- 12) What is the strategy in dealing with competition during the COVID-19 pandemic?

The results of the research will be considered more credible if they are supported by documentary evidence. In this study, documentation will be

carried out during interviews and observations in the form of photos, videos, and recordings.

## DISCUSSION

The rapid spread of COVID-19 has indeed changed the interaction between businesses and customers. Many businesses have begun to feel a drastic drop in sales or even have no customers at all because customers have started activities in their respective homes. However, business sustainability must still be done so that the business can be sustained. Maintaining a business that means fighting for sales during the COVID-19 pandemic is not easy. Many wonder how businesses sell products in the coming weeks or months. Effective and effective strategies in increasing sales of goods, especially textiles, can use various methods, systems, and innovations. The more people you reach, the more sales figures you can achieve. Therefore, a marketing strategy is something that must be considered for an entrepreneur. Even so, the most essential thing that must be considered in marketing is a good marketing strategy.

The technology referred to in this case is a smartphone. Fulfillment of needs wants, and expectations can be done through an online marketing strategy. For people who are required to stay at home calmly, safely, and comfortably carrying out their activities when they need goods (textiles) or need transactions, the company can use online services. The company also benefits because, with online marketing, it is not only from the distribution aspect but from the other side, such as being able to open wider network outlets, such as community communities that can be managed through online media and at more competitive prices. The company can take advantage of existing applications on smartphone devices, such as *Whatsapp*, *shopee*, *gojek*, *grab*, *tokopedia*, *lazada*, and others. The community can easily take advantage of the application.

The use of technology during this pandemic has indeed forced them to do so because of an urgent need. However, whether it is realized or not for business actors and society (consumers) who have so far owned technology, especially smartphones, but have not utilized it optimally for doing business for business actors and purchasing transactions for the community (consumers) this is natural learning (natural). For example, business people who have to force the use of smartphone technology to implement a marketing strategy for masks, children's clothes, even in the month of Ramadan, most people want new clothes to be worn in this holy month, forcing businesses to use smartphones to market their products.

Through the above technologies, we can carry out appropriate and attractive sales promotions. This is the perfect time to reinforce the value of the products we sell. If we can develop sales promotions that suit customer needs amid this Corona Virus crisis, customers will naturally come to our business. For example, we can make a "buy-now" promotion or a push notification on a customer's smartphone with the words "sending a great promotion to you." Or we can also send attractive offers to their email. You can also make a discount on the product being sold. Research conducted by Vouchercloud states that



around 57% of consumers prefer to buy a product when there is a discount. Therefore, this step is considered effective and able to attract customers to buy. Promotion ideas that can be done are as follows.

A bundling package is a promotional strategy that sells two products in one package at a lower price. Usually, business actors will offer complementary products that are sold together with the main product. For example, if the product is an office shirt that costs IDR 300,000, a tie for IDR 120,000, then you can make a bundle for the two items for IDR 380,000. By doing a bundling package like this, it will facilitate the purchase process, reduce promotional costs, and provide greater added value to customers.

*Buy 1 Get 1 Free*, this one promotional strategy seems to be carried out quite often by textile business actors, namely by giving 1 free additional product for every particular purchase. In a COVID-19 pandemic situation like this, we can create different activities for this strategy. For example, the product we sell is a t-shirt, so we can make a buy 1 get 1 promo so that customers are interested in buying our product.

Free Shipping, online delivery, or delivery services are currently the main wheel of sales in several businesses, especially those in the coronavirus red zone. For that, it is better if we free shipping costs so that customers do not have to consider the number of additional expenses and are increasingly interested in making purchases.

*Creative Sales Techniques*, in addition to the right promotions, make creative sales methods or techniques. By keeping customers looking at our techniques in presenting our textile products. Whether through sad, funny, or unique videos, through funny memes, and various other ways that are readjusted to the target market for our textile business products. Different targets, different ways to approach them. For example, we can make a unique video with a funny story. You don't need to be overly explicit about your product. Just create a unique, funny, and interesting story so that customers always want to watch our sales videos every time we post on social media or other media.

*Don't Panic and Don't Stop Selling*, avoid panic over this Corona Virus pandemic, and stop assuming that our business will soon go bankrupt due to a decline in sales. Many businesses are on the verge of panic because of the Corona Virus issues. We still have to sell our products and find potential customers in various ways that can attract customers to keep buying our products. Life may not be completely normal again. So, look for ways that we can adapt and stay in business. After we know the effective sales strategy during the Corona Virus pandemic. We should also start paying attention to business bookkeeping. Moreover, by considering what sales strategies will be carried out, we must also continue to see how the financial condition of the business is. For that, use digital bookkeeping such as journals, with this automatic system that will accelerate all strategies and decisions taken in doing business.

The marketing strategy referred to is (1) the use of technology, such as smartphones. Business actors must force the use of smartphone technology through online sales to implement marketing strategies for textile products. (2) Create a proper sales pitch. Through the above technologies, we can carry out appropriate and attractive sales promotions. This is the perfect time to reinforce the value of the products we sell. If we can develop sales promotions that suit customer needs amid this Corona Virus crisis, customers will naturally come to our business. (3) Creative sales techniques. In addition to promotions that we use properly, create creative sales methods or techniques. By keeping customers looking at our techniques in presenting our textile products. Whether through sad, funny, or unique videos, through funny memes, and various other ways that are readjusted to the target market for our textile business products. Different targets, different ways to approach them.

### CONCLUSION

Based on the results of the analysis that the researcher has conducted on the company, the conclusions that the researcher can be drawn. During the COVID-19 pandemic, Textile Sales Volume can be increased with several strategies, namely the marketing strategy carried out by a company which can help the company to dominate the market and maintain its current position. From our analysis, it turns out that there are several marketing strategies and tactics from Wulan Busana, Toko Nyoman, and Lala Moda that can still be updated to achieve maximum results. A more superior strategy is the promotion marketing strategy. The strategy in question is the use of technology, such as smartphones. Business actors must force the use of smartphone technology through online sales to implement marketing strategies for textile products because nowadays traditional ceremonies at home such as the full moon and also the mat are still carried out so that most people want new clothes to wear. This has a good impact, forcing businesses to use smartphones to market their products.

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