Analysis of Fashion Value Chain Sustainability to Strengthen Added Value Through Entertainment Activities (Fashion Shows)

Syarifa Priani Dewi¹*, Sugeng Santoso²
¹Mercu Buana University, Jakarta, Indonesia, syarifapriani21@gmail.com
²Mercu Buana University, Jakarta, Indonesia, sugeng.santoso@mercubuana.ac.id

*Corresponding Author: Syarifa Priani Dewi¹

Abstract: Fashion is a secondary human need that can change according to the times or someone's wishes which can be seen from language, habits to how to dress. The production of fashion products is inseparable from various value chain activities. The value chain is a collection of activities carried out by each company to design, manufacture, market, deliver, and support its product. The fashion value chain consists of design, production, marketing and distribution activities. Fashion is also a product of the creative economy which is a mainstay in the country. The potential for various fashion products in Indonesia is enormous, so it is necessary to develop various fashion products in Indonesia to strengthen their added value. This research is a quantitative study using MDS-RAPFISH analysis with a case study in Nganjuk Regency. The results of this study show that the sustainability status of the value chain in design activities, production processes and marketing shows a fairly good sustainability status. Meanwhile, the dimensions of distribution and entertainment activities show good sustainability. And the overall results of the MDS-RAPFISH show indications of improvement, except for the dimensions of marketing and entertainment activities.

Keywords: Value chain; Value-Added; Fashion; Fashion Shows

INTRODUCTION

Language, habits, and how we dress are all examples of secondary human requirements that may alter depending on the circumstances or someone's preferences (BPS, 2015.) Many countries have introduced food and drinks as well as various lifestyle products to become part of their country's tourism. And one of the productive non-oil and gas foreign exchange, is now being developed in various regions including natural beauty, art and culture (Santoso et al., 2022). This aims to attract tourism from outside, as well as gain recognition regarding their various creative products (Santoso et al., 2021). Because regional culture has meaning and function for society that cannot be separated (Efrizon et al., 2022). The Minister of Tourism and Creative Economy (2022) made fashion one of the products developed in the “Proud Movement Made in Indonesia” program, this is due to an increase in the textile and clothing
industry when compared to the leather and leather goods industry. The Indonesian apparel industry has challenges compared to competitors from other countries, such as China, Vietnam and Bangladesh (Santoso et al., 2022). The creative economy sector is anticipated to raise the Gross Domestic Product (GDP) contribution to the Creative Economy (Ekraf) sector, absorb labor in the Creative Economy sector, expand the number of firms, and boost exports of Creative Economy goods or services. In the value chain and added value that comprises intellectual property, the creative economy exhibits certain feature (Santoso et al., 2021). The improvement of the national economy and increased competitiveness of the country are two objectives of the creative economy (Ubaidillah & Santoso, 2022). One area that is anticipated to grow into a strong, sustained national economic force is the creative economy, which focuses on giving products more value through the application of human creativity and ideas (Dumilah et al., 2021). Meanwhile, according to the Minister of Tourism and Creative Economy (2022), the contribution of Indonesia's creative economy to GDP is ranked 3rd in the world, after America with Hollywood and South Korea with K-Pop. The existence of creative-based industries in Indonesia today can be utilized as an effective medium in building the country's image and identity through national values that can be exported as potential industrial commodities to international audiences. In addition, the creative industry can form a positive business climate because creativity, innovation and human resource development are superior values (Sari et al., 2022). The value chain is a key framework for understanding use as inputs and services together that are used to grow, change or produce a product (Lihawa et al., 2021).

In an event organized by the government of Nganjuk Regency at Taman Mini Indonesia Indah, Mr. Achmad Nur Hasyim as CEO of Kekean Wastra Gallery whose work was ordered by the Dior brand said that some improvements were needed regarding value chain activities that support the development of the creative economy, especially in the fashion sector. He said the potential for fashion is enormous, starting from the diversity of fashion product designs in Indonesia, as well as the production process which is quite unique and still traditional, with the use of natural raw materials that are still used, making the sustainability of fashion in Indonesia has very high potential.

Furthermore, the export value of Indonesia's non-oil and gas industry continues to outperform year after year. Despite the fact that it has dropped in 2019 due to the Chinese government announcing the first incidence of mortality due to Covid-19, which has spread to many nations (Santoso et al., 2023). Furthermore, the export value of Indonesia's non-oil and gas industry continues to outperform year after year. Despite the fact that it has dropped in 2019 due to the Chinese government announcing the first incidence of mortality due to Covid-19, which has spread to many nations (Riyadhi et al., 2022). In order to achieve maximum innovation, it is important to consider both the amount of creativity as well as the underlying factors, financial commitments, and political decisions that foster innovation in a certain field (Santoso et al., 2021). Therefore collaboration is very important in the development of the fashion value chain for the enhancement of these entertainment activities. development strategy is also needed to continue to increase productivity because the development strategy explains the importance of understanding business strategy to take different actions from companies or competitors in the same industry in order to achieve a better position (Nugraha et al., 2022).

According to research from Ginnie (2022) states that fashion by applying traditional elements is still in great demand and can even become a trend that "goes international" and in research (Todeschini et al., 2020) the production process in various manufactures of fashion products also has added value to the product. In addition, the development of sustainable-based economic growth will have an impact on increasing regional economic valuations (Andrea & Santoso, 2020). With these various benefits, researchers are interested in conducting research on "Analysis of Fashion Value Chain Sustainability for Strengthening Added Value Through Entertainment Activities (Fashion Shows)".
LITERATURE REVIEW

Fashion

Fashion is part of secondary human needs that can change according to the times or someone's wishes that can be seen from language, habits to how to dress. Fashion fashion can be a medium used to express attitudes and feelings by combining various designs that will determine the values held by the individual or group. Appearance is no longer just a thing seen in dress, but also a style of dress or behavior which is a symbol of identity. Self or group identity is a representation of individual or group characteristics that can develop into a culture. Even more complex, fashion can act as strata of class division, status, work and needs for the prevailing trend (BPS, 2015). It was stated that those included in the category of fashion products were clothes, bags and shoes (Sucidha, 2019).

Value Chain

According to Porter (1985) The value chain is a collection of activities carried out by each company to design, produce, market, deliver, and support its products. In analyzing competitive advantage, Porter divides into 2 parts of activity, namely main activities and supporting activities. Primary activities are those involved in the physical creation of the product and its sale and transfer to buyers. In the main activities, the company's activities are divided into 5, namely:

a. Inbound Logistics: processes related to receipt, storage, and distribution.
b. Operations: activities that convert inputs into outputs that can later be sold.
c. Outbound Logistics: provide products and services to consumers.
d. Marketing & Sales: the process of persuading or inviting consumers to make purchases and use products.
e. Service: what is provided to the customer after buying and using the product.

Value-Added

Value added is the value added to goods and services used by production units in the production process as an intermediate cost. This added value is the same as remuneration for the participation of production factors in the production process. In various processes of value chain activities, of course there is added value from a process (Mangifera & Pos, 2018).

RESEARCH METHOD

This research, will use quantitative research methods. Where this research was conducted to find out and analyze the sustainability of the value chain and explore the potential added value of various fashion products through entertainment activities. In this study an analysis will be carried out using Multidimensional Scaling to find out how the sustainability of various value chain activities and fashion added value through entertainment activities (Fashion Shows). The basis of Multidimensional Scaling is an assumption that emphasizes the subject's perception of objects based on a number of attributes or dimensions (Santoso, 2010). Multidimensional scaling is a method of processing and analyzing data related to assessing the status of sustainability from various aspects. In this case the sustainability aspect will be assessed through various dimensions of the value chain, to then be seen from these dimensions which still need to be developed to optimize added value in this fashion creative economy. The MDS analysis aims to see the condition of the sustainability status of each dimension so that imbalances between dimensions are identified. Then the MDS analysis was developed in the Rapfish software which is used to determine each measurable indicator (Mahida, 2020). The ordinance of sustainability status basically provides an illustration of the sustainability status of each dimension according to the score of its attributes. The position of the index value is
illustrated on the axis (x) which reflects the status of sustainability, while the ordinate axis (y) indicates the variation in scores of the attributes that have been studied (Parmawati et al., 2017).

### Table 1. Sustainability Index and Categories in Multidimensional Scaling Rapfish

<table>
<thead>
<tr>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 24.9%</td>
<td>Bad</td>
</tr>
<tr>
<td>25–49.9%</td>
<td>Less Sustainable</td>
</tr>
<tr>
<td>50–74.9%</td>
<td>Sufficiently Sustainable</td>
</tr>
<tr>
<td>&gt;75%</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: (Parmawati et al., 2017)

Data collection was carried out by giving questionnaires to 20 samples using a purposive sampling technique. And the criteria for the sample used are: Parties involved and contributing to the value chain and fashion added value in Fashion Show activities.

**FINDINGS AND DISCUSSION**

The analysis was carried out using RAPFISH (Rapid Appraisal Technique for Fisheries) software. To support the ordination validity of using MDS, the ordinate analysis will be added to the model feasibility normalization test (stress value (S) and coefficient of determination (R²). If the Stress value is < 0.25 and the R² value close to 1, then the model is considered good. Then, leverage analysis is also carried out. Leverage analysis refers to the largest Root Mean Square (RMS) value, and Monte Carlo by comparing the results of Monte Carlo and MDS analysis the less the difference in the value, the error score of the attribute relatively small (Mahida, 2020).

Based on the Ordination index (figure 1. Design Dimension Ordination Index) it is known that the percentage of fashion design sustainability in entertainment activities is 74.63% with an indication of sustainability at a value of 12.65. That is, the status of fashion design sustainability in entertainment activities is quite good, and shows an indication of improvement, because the value of the indication of sustainability is at a positive number. The stress value obtained from the design dimension MDS data processing is 0.1648 and the R² value is 0.9303.
Based on the Ordination index (figure 2. Ordination Index of Production Process Dimensions) it is known that, the percentage of continuity of the fashion production process in entertainment activities is 72.40% with an indication of sustainability at a value of 0. This means that the status of the sustainability of the fashion production process in entertainment activities is quite good, and shows an indication of improvement, because the value of the indication of sustainability is at a positive number. The stress value obtained from the MDS data processing dimensions of the production process is 0.1625 and the $R^2$ value is 0.9265.

Based on the Ordination index (figure 3. Marketing Dimension Ordination Index) it is known that the percentage of sustainability of fashion marketing in entertainment activities is 57.23% with an indication of sustainability at a value of -0.04. This means that the sustainability status of fashion marketing in entertainment activities is quite good, but shows an indication of decline, because the value of the sustainability indication is at a negative number. The stress value obtained from the marketing dimension MDS data processing is 0.1868 and the $R^2$ value is 0.9193.
Based on the Ordination index (figure 4. Distribution Dimension Ordination Index) it is known that the percentage of sustainability in the distribution of fashion in entertainment activities is 75.02% with an indication of sustainability at a value of 3.15. That is, the status of the sustainability of fashion distribution in entertainment activities is good, and shows an indication of improvement, because the value of the indication of sustainability is at a positive number. The stress value obtained from the distribution dimension MDS data processing is 0.1622 and the $R^2$ value is 0.9305.

Based on the Ordination index (figure 5. Ordination Index of Dimensions of Entertainment Activities) it is known that the percentage of sustainability in the distribution of fashion in entertainment activities is 85.94% with an indication of sustainability at -6.18. That is, the status of fashion design sustainability in entertainment activities is good, but shows indications of decline, because the value of sustainability indications is at a negative number. The stress value obtained from the distribution dimension MDS data processing is 0.1562 and the $R^2$ value is 0.9297. Leverage analysis is carried out to find leverage factors in the sustainability status.
Based on the deep leverage analysis (figure 6. Design dimension leverage analysis), pattern exploration has the greatest influence on the sustainability of the design dimension, which is equal to 9.942.

Based on leverage analysis, in (figure 7. Leverage analysis of the dimensions of the production process), production processes and material processing have a major influence on the sustainability of the dimensions of the production process, namely equal to 7.741 and 7.752.

Based on leverage analysis, in (figure 8. Marketing dimension leverage analysis), communication marketing has the greatest influence on the sustainability of the marketing dimension, which is equal to 0.246.

(Source: Data Processed, 2022)
Based on leverage analysis, in (figure 8. Leverage analysis of the marketing dimension), promotional media has a major influence on the sustainability of the marketing dimension, which is equal to 0.246.

![Leverage of Attributes](image)

*Figure 9. Distribution Dimension Leverage Analysis*

Based on leverage analysis, in (figure 4.20 Distribution dimension leverage analysis), product readiness has a major influence on the sustainability of the distribution dimension, which is equal to 8.492.

![Leverage of Attributes](image)

*Figure 10. Leverage Analysis of Leisure Activity Dimensions*

Based on leverage analysis, in (figure 10. Leverage analysis of the Dimensions of Entertainment Activities), excitement has a major influence on the sustainability of the Dimensions of Entertainment Activities, which is equal to 14.062.

Monte Carlo analysis was performed to evaluate the stability of the assessment in MDS. The running Monte Carlo simulation was repeated 30 times.
Based on the Monte Carlo analysis in (figure 11. Monte Carlo analysis of the design dimension) the average value obtained by running 30 times in the design dimension is 72.77% while the MDS-Rapfish coordination results obtained are 74.63%. There is no significant difference in value, meaning that errors in scoring results and data attributes are relatively small.

Based on the Monte Carlo analysis in (figure 12. Monte Carlo analysis of the dimensions of the production process) the average value obtained by running 30 times in the dimension of the production process is 70.37% while the MDS-Rapfish coordination results obtained are 72.40%. There is no significant difference in value, meaning that errors in scoring results and data attributes are relatively small.

Based on the Monte Carlo analysis in (figure 13. Monte Carlo analysis of Marketing Dimensions)
Based on the Monte Carlo analysis in (Figure 13. Monte Carlo analysis of the marketing dimension) the average value obtained by running 30 times in the marketing dimension is 56.78% while the MDS-Rapfish coordination results obtained are 57.23%. There is no significant difference in value, meaning that errors in scoring results and data attributes are relatively small.

Based on the results of the analysis conducted, it can be seen that the entire process of the fashion value chain in entertainment activities has a fairly good and good sustainability status. Based on the leverage analysis, various leverage factors need to be considered in the sustainability of each dimension, namely:

Design can be improved through the exploration of various patterns on fashion products, by continuing to explore patterns on various fashion products, more and more innovations will be formed. Production can be increased through material processing and production processes,
improving these various processes can increase the yield and quality of the fashion product itself. Increasing promotional media in the marketing process can certainly expand marketing, adding added value to the promotional press can be seen from the impact it has on sales. Meanwhile, in distribution activities, product readiness is a very important lever, meaning that various products that are ready to be marketed will undoubtedly increase the added value of the fashion product itself. Based on Suryandani & Kusumaningsih (2021) on product innovation, implementing and optimizing marketing models, and improving customer relationships can be a good development strategy for increasing value chain activities. As the results of the research, various value chain activities in entertainment activities also contain innovation, promotion processes, and improving customer relations which show a fairly good sustainability status, so this strategy can be used to continue to develop fashion creative economy value chain activities to provide benefits. which is much more. Not only for business actors but also for organizers and various parties involved in it, so that they can make a big contribution.

Meanwhile, the added value of the fashion creative economy in entertainment activities shows a good status. This means that entertainment activities can indeed add value to fashion. The addition of added value occurs in every process that occurs carried out from the value chain activity. Where the processed raw materials can have added value when the goods have become semi-finished goods, and the value will increase if they have become finished goods. Even clothes that have been used and displayed in entertainment activities can also be resold, or what is now known as preloved. This is in accordance with several previous studies regarding the benefits of entertainment activities on several economic activities as in the study of Kusumawati et al. (2022) who said that participation in entertainment activities provides an increase in the quality, image and value of a product. While in Purnamasari et al. (2022) entertainment activities can also open space for the community, so they need to have a good sustainability status.

However, several indications of decline in value chain and value added activities need to be increased. As an indication of a decline in the marketing dimension, for example, it can be overcome by providing breakthroughs by prioritizing digital platforms and encouraging the development of startups as media for promoting various creative economy products and information on entertainment activities. While indications of a decline in the Dimension of Entertainment Activities, where excitement becomes a lever factor can be overcome by having a clear concept and collaborating with creative communities or groups, this is one of the alternative strategies that can be implemented.

**CONCLUSION**

Based on the results of the MDS-RAPFISH analysis, the sustainability status of the value chain in design, production processes, marketing shows a fairly good sustainability status. Meanwhile, the value added sustainability status in the dimensions of the contribution of entertainment activities shows a good sustainability status. Several factors that can be developed from the value chain process are how to innovate by exploring various patterns, then pay attention to the material processing and production processes that are carried out, besides that the development of promotional media by utilizing digital platforms and the development of various start-ups can also be used for the development of marketing activities of fashion products. While product readiness is a factor that needs to be considered in every distribution activity, where the readiness of this product will also be influenced by quality so that it affects added value. Meanwhile, activities to increase added value through entertainment activities, especially Fashion Shows, can be carried out by providing a clear concept and collaboration with various creative communities in order to provide satisfaction to the audience.
REFERENCES
system. 


