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Cite as: AIP Conference Proceedings 2030, 020284 (2018); <https://doi.org/10.1063/1.5066925>
Published Online: 12 November 2018

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Geography Study of furniture Industry Business in Makassar City, Indonesia

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Abstract. Furniture industry is one of the small industrial sector that continues to grow in Indonesia. The need for products from furniture industry continues to increase because this industry sector provides interior design and artistic value that can provide comfort for residents so that it can support various activities. to know the factors that support and hamper the management of furniture industry, marketing distribution of furniture industry, and strategy to improve business of furniture industry in Makassar City, data retrieval technique is done by observation, interview and documentation. The result of the research shows that: 1) Factors supporting the furniture business include: location, affordability of raw materials, the presence of skilled labor, the technology used, the amount of production and the availability of adequate facilities and infrastructure in the marketing of production. The inhibiting factor is the amount of capital; 2) Marketing of furniture production can be done through direct order to industrial location, through store that is occupied to sell furniture and delivered in accordance with orders requested by consumers either from the city of Makassar or to the surrounding districts such as Palopo, Bulukumba, Bantaeng, Gowa, Takalar, Soppeng and Maros, to other provincial capitals such as Mamuju, Palu, Manado and Kendari. 3) The amount of income of business owner from furniture industry belongs to high income level. The results show that this furniture industry has good prospects because of good raw materials, skills, and marketing. Therefore, these efforts need to be developed in order to increase the income of the community.

INTRODUCTION

The furniture industry is one of the small industrial sectors that continues to grow in Indonesia [1];[2]. The need for products from furniture industry continues to increase because this industry sector provides interior design and artistic value that can provide comfort for residents so that it can support various activities. Indonesia' furniture industry plays an important role as a source of foreign exchange for the country because product enthusiasts not only in the country but also abroad. This situation makes the furniture manufacturers compete to produce quality products in accordance with the wishes of consumers [3];[4].

Development in the industrial sector is part of a long-term effort to improve the unbalanced economic structure [5]. Absorption of labor in the small industrial sector is influenced by internal and external factors of each business unit [6]. Revenue and production of furniture industry based on the size of the production capability so that the greater the business capital the greater the ability of furniture industry to produce furniture, but even though this furniture industry is supported by large business capital but not supported by experienced workers then the production of furniture industry is not will never get satisfactory results and are highly correlated with the income and production levels of the furniture industry [7]. Therefore, there are still some factors that determine the social and economic factors [8].

The city of Makassar is one of the major cities in Indonesia and a center of trade and reference for economic development in eastern Indonesia, with various development challenges encompassing an ever-increasing

population, limited land area, and educational, economic and social diversity of its people. One of the sectors driving the economy of Makassar City is the sector of Micro Small and Medium Enterprises (UMKM) [9]. UMKM Makassar has a great economic potential and very likely to be developed. The number of small-scaled business units in Makassar City in 2012 is 157 units with a labor force of 1,455 people, investment value generated worth 49 billion rupiah with production value of 245 billion rupiah. Sub-district with the most number of business units is Biringkanaya Sub-district with 30 business units and the smallest in Ujung Tanah Sub-district with 0 business units [10].

Furniture business is one of Micro Small and Medium Enterprises (UMKM) which has long been developed by the people of Makassar [11] especially as a container to improve people's welfare. Furniture industry business with the main raw material of wood is a traditional business that has grown since long in the city of Makassar. This business is partly done in heredity in serving the needs of the people of Makassar and surrounding [9]. The total of furniture industry in Makassar for 6 recent years namely from 2007 to 2012 continued to increase until it reaches 40 business units with the amount of labor 346 [10], this showed us that furniture industry is labour intensive.

The development of an industry is predicted to be influenced by the presence of location, raw materials, capital, labor and marketing factors. This is a study of economic geography that discusses the economic activities of humans with a spatial point of view, its relation to the distance location factor and to find out information about the existence of the furniture industry business to the income of the owner of Meubel Industry in the Artisan Crafts Area in Antang Village, Manggala Sub-district, Makassar City.

MATERIALS AND METHODS

The location of the research was conducted in the area of the meubel furniture worker of Antang Village of Manggala, Makassar City. Variables used by the researcher are: location, raw materials, large capital, labor, technological type, production result, marketing distribution and income level. Techniques of collecting data used on are observation, interview and documentation. The analytical technique used in this research is descriptive statistical technique, where researchers describe and summarize the results of observations made. Data obtained either through data collection techniques, both perimer data and secondary data arranged in the form of frequency tables and then analyzed in the form of average percentage. Frequency is the number of respondents present on each option in the list of questions stated in f. whereas the percentage is the value of the ratio between the number of frequencies that appear with the overall frequency expressed in percent [16].

RESULTS

Research Sites are included into the District of Manggala, precisely in Antang Village. According to its administrative location Antang Urban Village has boundaries adjacent to the North Tello Baru Village Panakukang sub-district, the south by Bangkala Village Manggala sub-district, to the east by Manggala Village Manggala sub-district, and the west by Batua Village Manggala sub-district. The area of furniture craftsmen in Antang Village is considered strategic because it is widely known by the community. This is one of the supporting business of this furniture industry. In addition, the availability and availability of wood raw materials include agatis/dammar wood, teak wood, kecapu wood, duriang wood, nato, multiplex, plywood, and teakblock used still from within the city of Makassar and surrounding districts which are also still in the province of South Sulawesi such as from district Bulukumba, Bantaeng, Gowa, Takalar, Soppeng and Maros. So to reach the raw material is not too far away (see Figure 1).

The existence of the furniture industry as a business born from generation to generation. The job does not require too much education, but it requires skill so that it can produce models to order. Workers generally use families with daily wages or with wholesale systems. In addition, 80 percent use their own capital, with monthly production costs Rp 9,500,000. The types of equipment used to support the production of the furniture industry include: hammers, rulers, meters, screws, syringe dico, chainsaws, shoe machines, profile machines, drilling machines, lathes, fire engines and compressors.

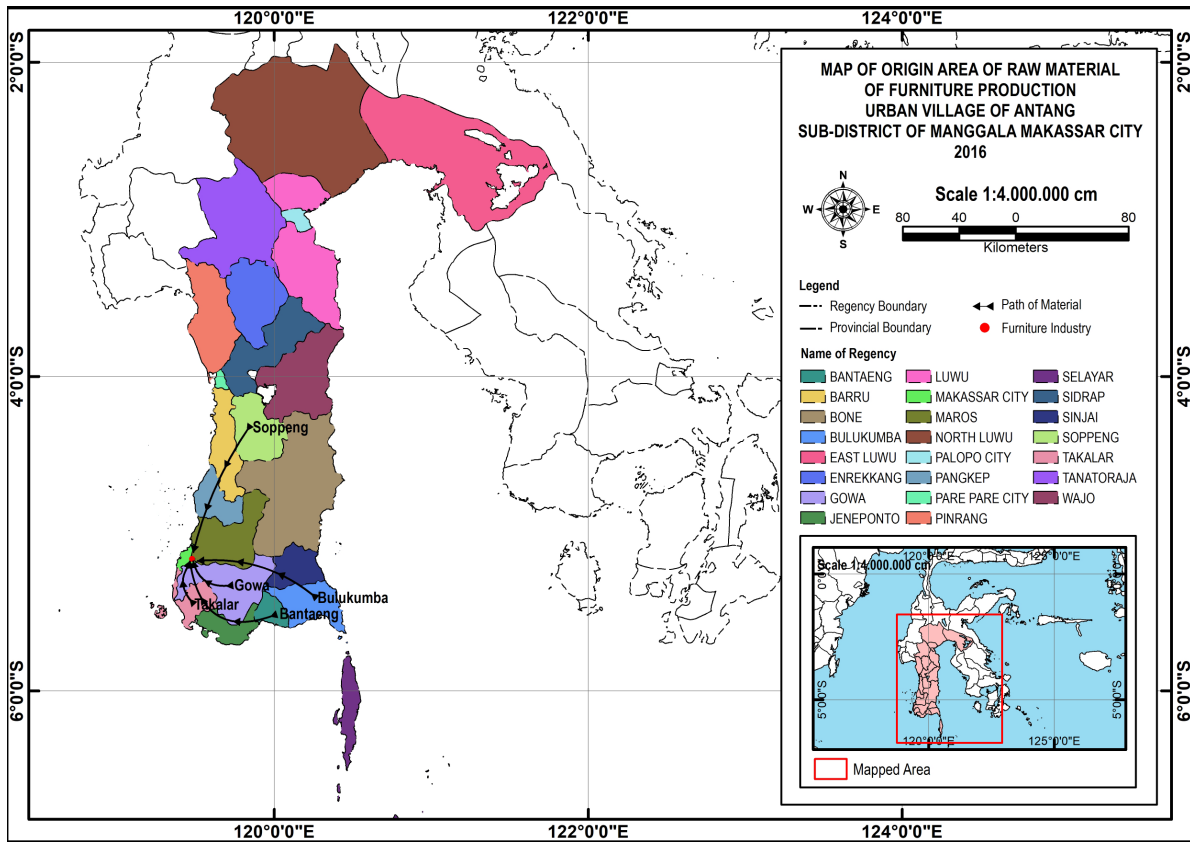


FIGURE 1. Map of Raw Materials used Origin

The amount of production is a factor that supports the furniture industry business in the Area of Antang Furniture Producers Meubel. Where the amount of production is the average number of production of furniture produced by craftsmen in one month, for more details we can see from the results of research that the respondents who produce the furniture less than 11 pieces there are 8 or 53.3 percent, average of 11-20 pieces there are 3 or 20 percent and more than 20 pieces there are 4 or 26.7 percent (see figure 2).

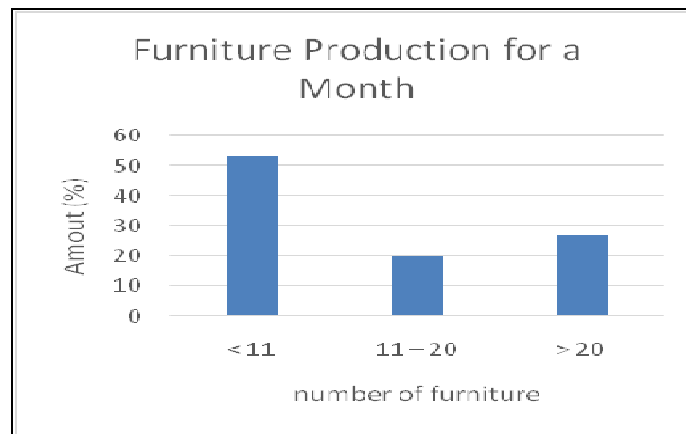


FIGURE 2. Number of Furniture Produced in a Month Production

Marketing of the products is done by various, such as: through orders and specialty stores to sell furniture. The distribution of the furniture industry results can be seen in Figure 3 and 4. Figure 3 and 4 shows that the results of this furniture business are marketed in the city of Makassar and some districts around it even to other provincial capitals such as Palu, Kendari and Manado. Based on the result of research, that in marketing furniture production there is no significant obstacle because supported by adequate transportation infrastructure. This results in sufficient sales results as shown in table 1.

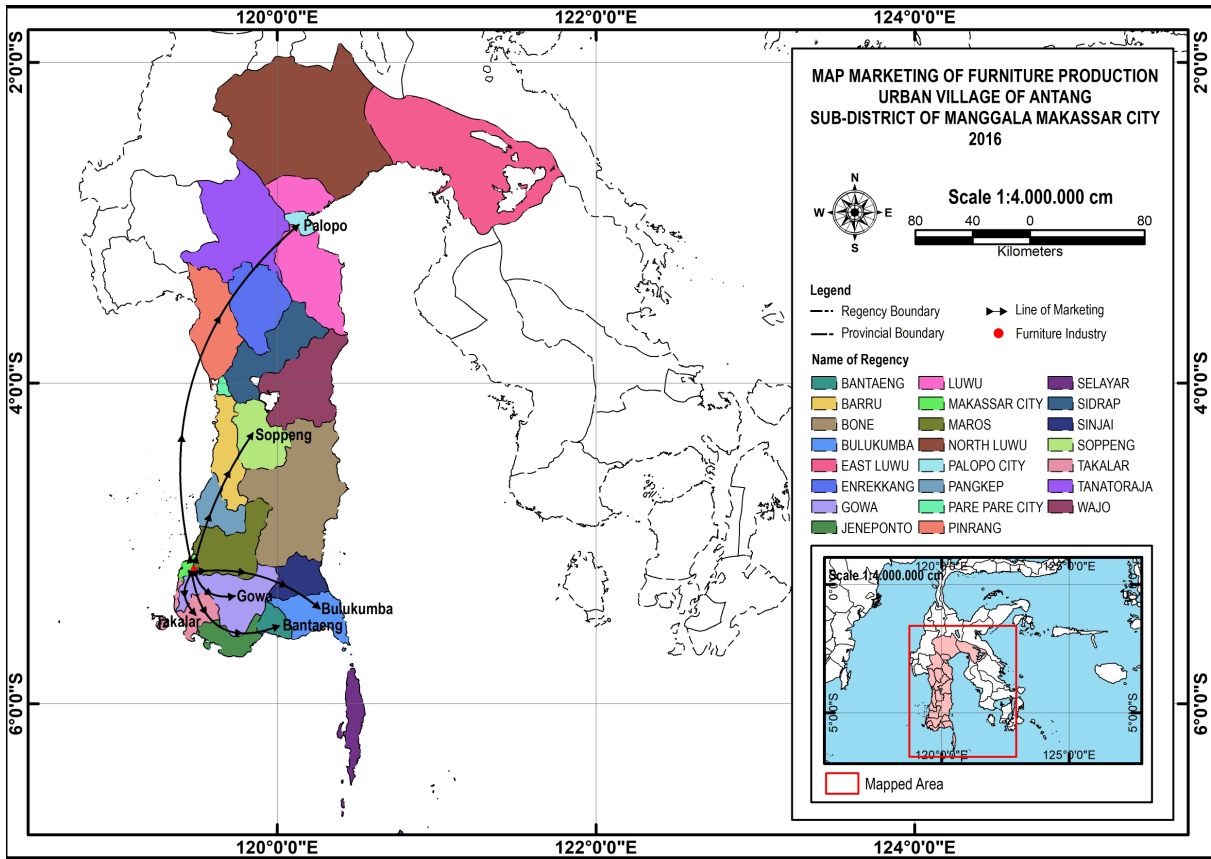


FIGURE 3. Marketing Map of Furniture Production in South Sulawesi

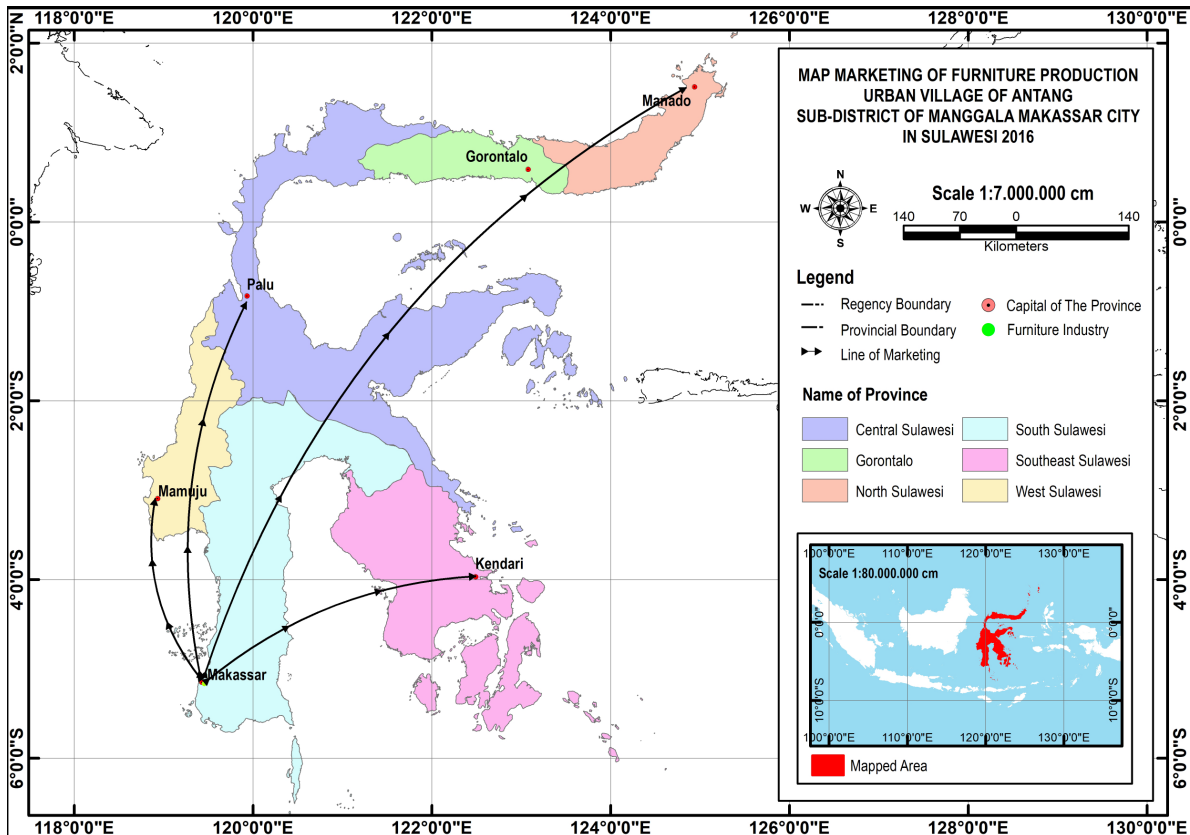


FIGURE 4. Marketing Map of Furniture Production in Sulawesi Island

TABLE 1. Net Income of Entrepreneurs earned every Month

Initial Capital (Rp)	X	F	Fx	%
<7,500,000	3,750,000	7	26,250,000	46.7
7,500,000-15,000,000	11,250,000	7	78,750,000	46.7
> 15,000,000	18,750,000	1	18,750,000	6.7
Total		15	123,750,000	100

Source: processed data, 2016

$$\text{Production cost average} = \frac{\sum f \cdot x}{f} = \frac{123.750.000}{15} \quad (1)$$

$$= \text{Rp. } 8,250,000.-$$

Based on table 1, shows that the average income of the furniture business owner in Kelurahan Antang is Rp. 8,250,000, -. In the table above also shows the income of respondents from furniture business ranged from less than Rp. 7,500,000 more than Rp 15,000,000 per month. Of the 15 respondents there are 1 or 6.7 percent who have the highest income of more than Rp. 15,000,000, then each of 7 respondents or 46.7 percent in the range of Rp. 7,500,000 - Rp. 15,000,000 and less than Rp. 7,500,000. So it can be concluded that the income of the furniture business owner in the Area of the Meubel Artisans of Antang Urban Village Makassar is already high.

DISCUSSIONS

The success of a business is never separated from the factors that support the business itself. Likewise with the business activities of furniture industry in the Artisan Craftsman Area Meubel Antang District Manggala Makassar City. The entrepreneurs can continue their business because it is supported by several factors that support the management of furniture industry in the area of the Meubel Artisan Worker Antang. Based on research results in the field, that the physical aspects of location and raw materials is an important aspect to note. While the economic aspects that support the furniture industry in the Artisan Craftsman Area Antang Urban Village, among others: labor, technology, production and distribution of results. The results of interviews with respondents indicate that the origin of raw materials is not entirely derived from within the city of Makassar due to the consideration of quality and quantity of raw materials from outside the city is better although 46 percent of respondents still use raw materials because of the consideration of transportation costs raw materials yang lower. Production of raw materials from within the city that can not meet all the needs of furniture industry raw materials in the city of Makassar caused by land cover changes that initially forest into a settlement land [13] because of increasing anthropogenic activity [14] which further resulted in urban heat island in Makassar City so, the average daytime temperature in Makassar is 31.29°C.

Otherwise, growing population number had causing the land use change from the forest become the settlement area [15], mangrove forest area become the fishpond area [16];[17];[18];[19]. the increasing of the housing buildings uncertain with the raising of open green space that causing the increasing of temperature [13];[20];[21]. Even some other major cities have experienced similar things, as the study in Jakarta by Maru and Ahmad, that the average temperature during the day is 33.32°C[22]. Furthermore, the increasing of temperature had causing the change of rainfall pattern [23];[24], increasing of flooding hazard [25], the decreasing of water quality [26];[27], long dry season [28], and the raising of tropical disease, such as dengue fever disease [29]. So, the business management based on environment living is important until these activity cannot cause the environment pollution.

The inhibiting factor that is mainly felt by the respondents is the problem of capital. Mubyanto [30] argued that the shortage of capital, especially money capital will limit the movement of business activities aimed at improving production in terms of quality and quantity. In accordance with the data obtained, the capital needed to start the furniture business reached more than Rp. 15,000,000 and this capital is felt very large as well as the production cost of a month, because until now some respondents still use their own capital so continue to require additional capital for the smooth production of furniture. Another thing felt by respondents who can hinder this business is the lack of orders. Up to the time of this research most respondents only produce when there is order from consumer. Even if there is a production before the order from the consumer, then the resulting production amount is very limited because there is no place to sell or store the furniture.

In addition, respondents said that the occasional government assistance provided training is still lacking in supporting the furniture business. So some respondents expect help or support in the form of capital assistance and promotion in the management of their business. Based on the average monthly income of respondents, belonging to the high level of income according to BPS Year 2008. Thus the role of furniture industry in increasing the income of respondents plays an important role as the main source to meet the needs of households and contribute either as additional capital and is disisikan to saving the provision of future life.

Based on the results of interviews with the respondents, several strategies were undertaken in an effort to improve their business, among others: maintaining and improving the quality of production, improving the quality of skilled labor, the results according to the manufacturing agreement, maintaining customer trust, minimizing the price according to standard (affordable price) promotion both through online as facebook or government and private office, always uptodate and create new models (innovation) and expand relationships.

CONCLUSIONS

Based on the results of research that has been presented and discussed, Factors that support the furniture industry business in the area of Meubel Manggarai Meubel Subdistrict Manggala City Makassar City, among others: strategic location, affordability of raw materials, the existence of skilled labor, the technology used, the amount of production and the availability of adequate facilities and infrastructure in marketing the production. The inhibiting factor is the amount of capital and the production of furniture can be done through direct order to the location of the industry, through the shop occupied to sell furniture and shipped in accordance with orders requested by consumers both from within the city of Makassar and to other districts such as Palopo, Bulukumba, Bantaeng, Gowa, Takalar, Soppeng and Maros, to other provincial capitals such as Mamuju, Palu, Manado and Kendari. The amount of income obtained by respondents from furniture industry business in the area of handicraft craftsmen urang subdistrict manggala city of Makassar belong to high income level.

ACKNOWLEDGEMENTS

We would like to express our gratitude to the Head of Universitas Negeri Makassar and the Makassar City Government for their permission and support in completing this research.

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