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4TH GADJAH MADA INTERNATIONAL CONFERENCE ON ECONOMICS AND BUSINESS 2016

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IN THE ASEAN ECONOMIC COMMUNITY”

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PREFACE

Thanks to God, with the almighty grace.

We are really grateful that the 4th Gadjah Mada International Conference of Economics and Business 2016 had been held successfully on November 25-27, 2016 by Faculty of Economics and Business Universitas Gadjah Mada at Jogja Plaza Hotel, Sleman, Yogyakarta. Tokens of appreciation should be rendered to our presenters, participants and all of you that made the event could be organized and carried out with the highest quality, comfort, and precision that we could give. Even though there are some mistakes that we did during the event, we apologize deeply for that. These Proceedings are compiled as a collection of all presenter's research papers. Showing the creativity of ideas that could also be seen as an art inside the field of science.

The theme of this year conference is "Research, Production, in Business Model Trilemma on ASEAN Economic Community," and this theme is manifested in the presented papers that are compiled in these proceedings, comprised of the scholarly work from this global environment and as well as the honorary speakers. Therefore, we would like to express our gratitude and credits to Journal of Indonesian Economy and Business Faculty of Economics and Business Universitas Gadjah Mada.

Professor Christopher Mannings (Crawford Schools, Australia Nationals University), Professor Dr. Mudrajad Kuncoro, M.Soc.,Sc. (Universitas Gadjah Mada), Dr.Satya P.Chattopadhyay Ph.D (University of Scranton) and Arie Setya Yudha (Molay Tacticals) for taking the time to contribute and share their expertise and experiences to the conference that have enriched our knowledge in this field.

All the scientists and researchers that have also contributed their research, ideas, results, and encouraging one another to learn more by sharing, learning, and discussion sessions. There were 119 papers from – different countries presented in the conference. Some of them have agreed to include their full papers in the proceedings.

The proceeding and presentations cover various topics, ranging from economics, marketing management, human resources management, financial management, operation management, supply chains management, and accounting.

We sincerely hope that these proceedings and the conference in particular will grant benefits to all of the participants and also the readers. Especially as a reference for further Economics and Business development in Indonesia and all over the world.

We welcome and will receive any suggestions and constructive feedback to improve the organizing strategy for the betterment and development of Gadjah Mada International Conference of Economics and Business conferences and proceedings. We look forward to see you again in our next event.

Yogyakarta, December 2016.

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MEASUREMENT MODEL FOR BUSINESS PERFORMANCE ON CREATIVE INDUSTRIES IN BANDUNG CITY

Arianis Chan

Business Administration, Padjadjaran University

arianis.chan@unpad.ac.id

ABSTRACT

Business performance in a creative industry is a matter to be taken into consideration as one of the indicators hinting whether the business has reached success. This research aims at investigating how business performance on creative industry is and what are the factors which dominantly measures the industries' business performance.

In order to answer the research questions, the method of analysis used is descriptive analysis to be later followed by Structural Equation Modeling. The descriptive analysis is used to attain a general depiction concerning the creative industries' business performance. Furthermore, each variable will go through an empirical hypothesis testing by using SEM (Structural Equation Modeling) on Lisrel Version 8.3 software. The population in this research includes creative industry companies which comprise 15 business type with the total of 5291 companies, with the sampling of 165 companies. The sampling technique applied is proportional stratified random sampling.

All indicators in business performance should be able to be deemed valid both in terms of discriminant validity and convergence validity. The result of convergence validity analysis also reveals that the most dominant indicator in measuring business performance variable is the sales volume. This indicates that business performance variable is highly correlated with sales volume. The higher the sales volume is, the greater the business performance will be.

Keywords: *Business Performance, Creative Industries, Bandung City*

I. INTRODUCTION

The creative industry is an industry that continues to grow and develop in Indonesia is included in Bandung. The development of creative industries in Bandung, which makes this industry very rapidly become a mainstay industry of the government of Bandung today and an industry that are seeded in the future.

Creative industries rely heavily on creativity, abilities and talents of individuals someone in the company. Yet at the same time, the increased complexity of the environment, competition and market volatility, making reliance on individual creativity alone is not enough, take a few ways that business performance in companies in the creative industries is constantly increasing.

Conditions that exist today in the city of Bandung creative industries is that the leaders in the creative industry in general is no longer reluctant to take risks in creating its business both in the creation of products and improved service. It can be seen from the many innovative products that have sprung up in the city of Bandung and very diverse ranging from food, clothing products, handicrafts and various other creative products. The purpose of it all is to increase business performance for companies in the creative business

Measurement of business performance in the creative business is a challenge given the output of its creative industry is different from ordinary products manufactured goods relatively more easily measured. It is therefore a matter that



Publication Office
Faculty of Economics and Business
Universitas Gadjah Mada

3rd Floor West Wing Faculty of Economics and Business
Universitas Gadjah Mada, Jalan Sosio Humaniora 1, Bulaksumur,
Sleman, Yogyakarta, Indonesia 55281

Phone: +6274 551209
Email: gamaiceb@ugm.ac.id