

# *Creative Economy-Based Development Strategies For Culinary MSMEs In Ranggagading: A Swot Analysis Approach*

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**Resume**—This study examines the development strategies of culinary micro, small, and medium enterprises (MSMEs) in Ranggagading through the lens of the creative economy using a SWOT analysis approach. Data were collected via interviews, observations, documentation, and focus group discussions involving MSME actors, government representatives, and consumers. The findings indicate that Ranggagading's culinary MSMEs possess unique products, cultural heritage, and entrepreneurial creativity, but face constraints in capital, digital literacy, and business management. The SWOT analysis highlights four strategic pathways: (1) leveraging product uniqueness and creativity through digital marketing and tourism partnerships, (2) strengthening managerial and financial capacity via training and microcredit, (3) innovating product variants aligned with health and eco-friendly trends, and (4) fostering cooperative groups to enhance resilience and market diversification. Implementing these strategies is expected to increase competitiveness, expand market reach, generate employment, and position culinary MSMEs as sustainable drivers of the local creative economy.

**Keywords:** culinary MSMEs, creative economy, SWOT analysis, development strategy, Ranggagading

**Abstract**– This study aims to analyze the current conditions of micro, small, and medium enterprises (MSMEs) in the culinary sector in Ranggagading, identify internal and external factors influencing their development, and formulate strategies based on the creative economy approach using SWOT analysis. A descriptive qualitative method was employed, with data collected through in-depth interviews, field observations, documentation, and focus group discussions (FGDs) involving MSME actors, local government representatives, and consumers. The findings reveal that culinary MSMEs in Ranggagading possess strengths such as unique products made from local raw materials, distinctive flavors, affordable prices, and entrepreneurial creativity, but face weaknesses including limited capital, low digital literacy, weak business management, and dependence on local markets. Opportunities include the growing trend of culinary tourism, government support, easy access to e-commerce, and increasing appreciation for local products; while threats involve competition from external products, shifting consumer preferences, fluctuating raw material prices, and economic instability. The formulated development strategies encompass digital promotion leveraging local strengths, partnerships with the tourism sector, business management and digital marketing training, establishment of joint business groups, product innovation aligned with market trends, and institutional strengthening of MSMEs. The implementation of these strategies is expected to increase revenue, enhance production efficiency, create jobs, empower communities, strengthen synergy with the tourism sector, and improve overall business quality, enabling Ranggagading's culinary MSMEs to become competitive and sustainable drivers of a locally based creative economy.

**Keywords:** culinary MSMEs, creative economy, SWOT analysis, development strategy, Ranggagading

## I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a pivotal role in Indonesia's economic structure, accounting for over 65 million business units, contributing approximately 61% to the national gross domestic product (GDP), and absorbing more than

97% of the workforce (Ministry of Cooperatives and SMEs, 2023). In times of global economic uncertainty, MSMEs have demonstrated resilience and served as a socio-economic safety net at the grassroots level (Setyawan & Mulyadi, 2022). However, despite their significant contribution, MSMEs face structural challenges, including limited capital, restricted market access, low technological adoption, and insufficient managerial capacity.

In regional contexts, MSMEs often rely on local potential and the sustainability of community-based markets (Lestari & Wibowo, 2021). To address these constraints, development strategies must go beyond conventional economic approaches and integrate creative and innovative elements. The creative economy framework, which places creativity, cultural values, and innovation at the core of economic growth, offers a relevant solution in today's knowledge-based and digital era. This sector encompasses 17 subsectors, including culinary, crafts, fashion, design, applications, and performing arts. According to the Creative Economy Agency (Bekraf, 2022), the culinary subsector contributes the largest share—approximately 41.5%—to the creative economy's GDP, highlighting its potential for further development.

Integrating the creative economy with culinary MSMEs can generate added value not only in terms of products but also in consumer experience, aesthetics, and cultural narratives. In this perspective, culinary products are no longer merely functional goods but also carriers of emotional and symbolic values (Fauziah et al., 2023). For instance, traditional foods packaged with contemporary design and marketed through social media can more easily attract younger generations and domestic tourists.

Ranggagading, a region rich in cultural heritage and local culinary traditions, possesses substantial potential to develop culinary MSMEs within the creative economy framework. Local specialties such as cassava chips, banana dodol, and various processed foods represent valuable culinary heritage that could become regional flagship products. However, such potential has yet to be fully optimized. Many MSME actors in Ranggagading continue to operate traditionally, lacking technological support, adequate financial records, and effective digital marketing strategies. A preliminary survey conducted in 2024 revealed that around 70% of local culinary MSMEs have never received digital training, and 60% have not utilized social media or e-commerce for product sales. Furthermore, access to business capital remains a challenge due to incomplete business legality, limited collateral, and insufficient information.

In response, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis provides a systematic framework to design context-specific MSME development strategies. This approach enables stakeholders to identify internal strengths and weaknesses as well as external opportunities and threats that influence business sustainability (Rahmawati & Santosa, 2021). In the case of culinary MSMEs, unique local raw materials, distinctive flavors, and cultural storytelling can serve as competitive advantages, while limitations in technology and business management can be addressed through continuous training and institutional support. Local governments also play a crucial role in fostering an enabling ecosystem through institutional strengthening, financial incentives, funding access, and tourism promotion based on local culinary heritage.

Given these dynamics, this study seeks to explore the current condition of culinary MSMEs in Ranggagading, analyze the internal and external factors affecting their growth, and formulate creative economy-based development strategies using SWOT analysis. The findings are expected to contribute both theoretically, by enriching literature on MSME development strategies, and practically, by providing actionable recommendations for local MSME actors, government bodies, and other relevant stakeholders.

## II. RESEARCH METHOD

This study employed a descriptive qualitative approach aimed at exploring the internal and external factors that influence the development of culinary MSMEs in Ranggagading and formulating strategies based on a creative economy perspective. Data were collected through in-depth interviews with 15 culinary MSME owners selected purposively to represent different product categories, field observations of production and marketing activities, documentation of business practices, and focus group discussions (FGDs) involving local government officials, community leaders, and consumer representatives. The triangulation of these techniques ensured data validity and reliability. The data analysis followed three stages: (1) identifying and categorizing internal strengths and weaknesses of culinary MSMEs, (2) mapping external opportunities and threats based on market trends, government support, and consumer behavior, and (3) constructing a SWOT matrix to formulate strategic alternatives. The analytical process emphasized

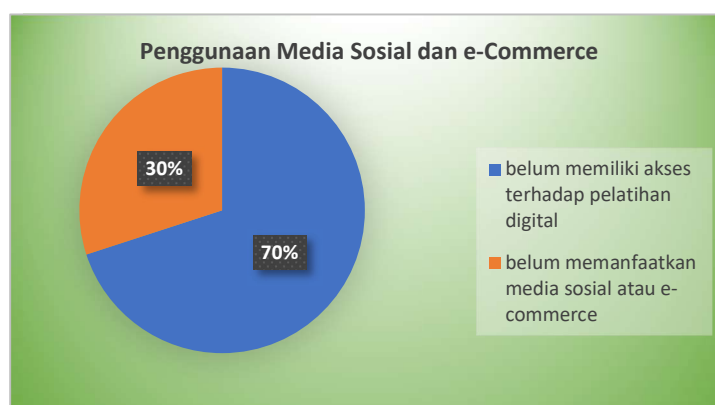
contextual interpretation, allowing the formulation of creative economy–based strategies that align with local cultural values and the practical conditions faced by MSME actors.

### III. RESULTS AND DISCUSSION

#### A. Current Condition of Culinary MSMEs in Ranggagading

The study found that culinary micro, small, and medium enterprises (MSMEs) in Ranggagading are predominantly micro-scale, family-run businesses producing traditional products such as cassava chips, banana *dodol*, sticky rice cakes (*wajik ketan*), and various other local snacks. Production capacity is small, typically ranging between 10–30 packaged units per day, with most operations relying on manual labor and basic equipment. Business capital is primarily self-financed, with limited access to formal credit facilities due to incomplete legal status, lack of collateral, and low awareness of financing schemes.

Marketing practices remain conventional, relying heavily on local markets, word-of-mouth, and community networks. Only a small percentage of MSMEs utilize social media, and even fewer engage with e-commerce platforms. Business management is generally informal, with minimal financial record-keeping, no clear business planning, and mixing of personal and business finances. These findings align with Santoso et al. (2022), who reported that low digital literacy is a significant barrier for traditional culinary MSMEs in other Indonesian regions.



Based on the pie chart titled “Use of Social Media and e-Commerce”, the data indicate that **70%** of culinary MSME actors in Ranggagading have not yet had access to digital training. This lack of access limits their ability to utilize technology effectively for marketing and business expansion. Meanwhile, **30%** of respondents reported that they have not made use of social media or e-commerce platforms for promoting or selling their products. This highlights a significant gap in digital adoption, suggesting the need for targeted capacity-building programs and support to enhance digital literacy and encourage the integration of online marketing strategies into their business operations.

#### B. SWOT Analysis Findings

To formulate an effective development strategy for culinary MSMEs in Ranggagading, it is essential to systematically map both internal and external factors influencing their growth. The SWOT (Strengths, Weaknesses, Opportunities, Threats) framework provides a comprehensive tool to identify the potential advantages that can be maximized, the limitations that need to be addressed, the external opportunities that can be seized, and the threats that must be anticipated. By applying this framework, stakeholders are able to gain a holistic understanding of the strategic position of culinary MSMEs, ensuring that the formulated strategies are not only responsive to market dynamics but also aligned with the principles of the creative economy. The following section outlines the SWOT analysis findings derived from field data, interviews, and focus group discussions.

**Strengths (S):** Unique local products with traditional recipes, affordable prices, creative packaging innovations, and abundant raw materials.

**Weaknesses (W):** Limited working capital, low digital literacy, weak business management, and dependence on the local market.

**Opportunities (O):** Rising culinary tourism trends, government support programs, broader access to markets via e-commerce, and growing consumer appreciation for local products with cultural value.

**Threats (T):** Competition from branded products outside the region, shifting consumer preferences toward healthier and eco-friendly products, fluctuating raw material prices, and macroeconomic instability.

### Strategic Formulation

From the SWOT analysis, four strategic pathways emerged:

1. **SO Strategies** – Leverage product uniqueness and creativity for digital marketing, build partnerships with tourism actors, and expand to e-commerce platforms.
2. **WO Strategies** – Address skill and capital limitations through training in digital marketing and business management, facilitate access to microcredit, and establish joint business groups (KUB).
3. **ST Strategies** – Strengthen local branding, innovate health-oriented and eco-friendly product lines, and diversify offerings to reduce single-product dependency.
4. **WT Strategies** – Foster cooperative procurement and marketing, provide resilience training for raw material price fluctuations, and broaden markets beyond the local area.

Table 1. SWOT Analysis of Culinary MSMEs in Ranggagading

Internal Factors	Strengths (S)	Weaknesses (W)
Description	a. Unique products based on local raw materials (cassava, banana, coconut). b. Distinctive traditional flavors. c. Affordable prices due to low production costs. d. Creativity in flavor innovations and packaging design. e. Abundant local raw materials.	a. Limited working capital and restricted access to formal financing. b. Low digital literacy and minimal use of social media/e-commerce. c. Weak business management and poor financial record-keeping. d. Dependence on local market demand.

Table 2. Strategic Formulation Based on SWOT Matrix

Strategy Type	Strategic Actions
SO (Strengths–Opportunities)	Promote unique local products via digital marketing campaigns.- Integrate MSME products into tourism packages (hotels, restaurants, travel agencies).- Expand distribution through e-commerce platforms.
WO (Weaknesses–Opportunities)	Provide training in digital marketing and financial management.- Facilitate access to microcredit (e.g., KUR).- Form joint business groups (KUB) for collaborative production and distribution.
ST (Strengths–Threats)	Strengthen local branding to differentiate from competitors.- Innovate product variants (healthier, eco-friendly).- Diversify product lines to reduce reliance on a single commodity.
WT (Weaknesses–Threats)	Establish cooperatives for joint procurement and marketing.- Develop market diversification strategies beyond local areas.- Build raw material stock management to handle price volatility.

Figure Description: Conceptual Framework for the Development of Culinary MSMEs Based on the Creative Economy Using SWOT Analysis

1. Local Culinary Potential

Represents the local culinary resources of a region as the foundational capital for business development, such as raw materials, traditional recipes, or distinctive flavors.

2. Cultural Heritage and Unique Products

The integration of local culinary potential with cultural heritage and unique products that serve as the identity of the region. This integration adds value in both product development and marketing.

3. SWOT Analysis of MSMEs

The process of analyzing the internal and external factors influencing culinary MSMEs.

4. Internal Factors (S & W)

Internal factors include *Strengths* and *Weaknesses* of MSMEs, such as product advantages, capital, skills, and managerial weaknesses.

5. External Factors (O & T)

External factors include *Opportunities* and *Threats* from the business environment, such as market trends, government policies, competition, or changing consumer preferences.

6. Strategy Formulation

The process of developing strategies based on SWOT analysis results, divided into four categories:

- a. SO (Strength–Opportunity): Utilize strengths to seize opportunities.
- b. WO (Weakness–Opportunity): Overcome weaknesses by capitalizing on opportunities.
- c. ST (Strength–Threat): Use strengths to address threats.
- d. WT (Weakness–Threat): Minimize weaknesses and avoid threats.

7. Creative Economy-Based

Applying the formulated strategies within the creative economy framework, emphasizing creativity, innovation, and cultural values as the main drivers of culinary MSME development.

8. Outcome

The expected results from implementing the development strategies include:

- a. Revenue Growth: Increase in business income.
- b. Job Creation: Generation of new employment opportunities.
- c. Cultural Preservation: Safeguarding of local cultural heritage.
- d. Market Expansion: Broadened market reach locally, nationally, and internationally.

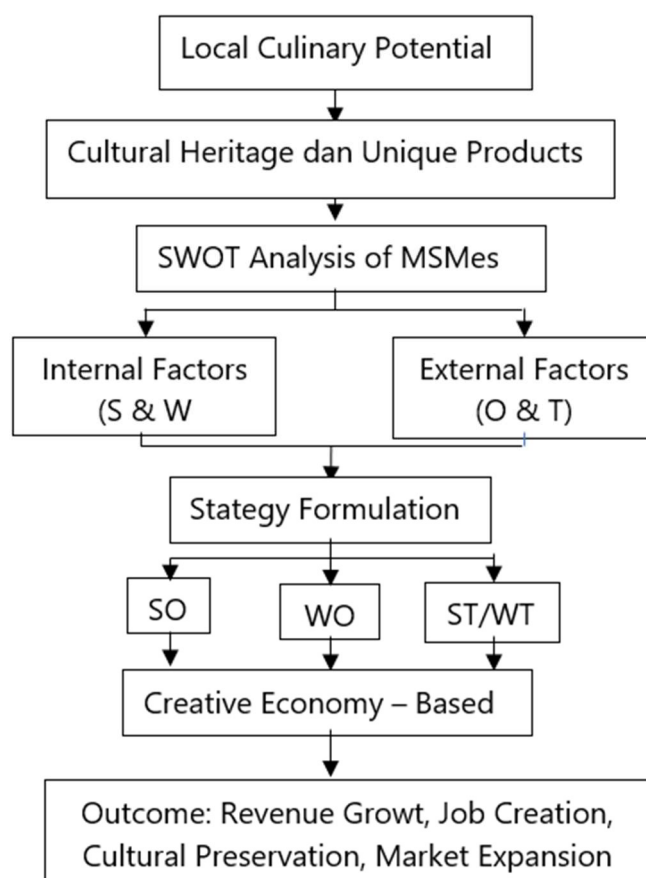


Figure 1. Strategic Development Diagram for Culinary MSMEs

### C. Discussion

The findings indicate that while Ranggagading's culinary MSMEs are rich in local cultural and agricultural assets, their growth is constrained by structural weaknesses—particularly in capital access, technological adoption, and business management. This aligns with Lestari & Wibowo (2021), who emphasized that regional MSMEs often rely heavily on local markets, making them vulnerable to demand fluctuations.

The integration of creative economy principles—especially in product design, storytelling, and digital marketing—presents a promising pathway to address these challenges. Similar to Prasetyo & Wulandari's (2021) findings in Malang, embedding cultural narratives into product branding can significantly enhance market appeal, especially among younger consumers and tourists seeking authentic experiences. In Ranggagading, products like cassava chips or banana *dodol* can be repositioned as not only culinary items but also cultural artifacts, thereby adding symbolic value and strengthening consumer loyalty.

The role of digitalization is particularly critical. Yusuf & Hidayat (2023) found that creative MSMEs adopting digital marketing experienced sales growth of at least 20% annually. For Ranggagading's MSMEs, adopting digital tools could similarly expand their market reach beyond geographic limitations, reduce dependence on local buyers, and increase price competitiveness. However, digital adoption must be accompanied by capacity building in content creation, online customer engagement, and e-commerce operations.



Institutional strengthening also emerged as a central theme in the strategy formulation. The establishment of cooperatives or business associations can facilitate joint procurement, collective branding, and more efficient access to government programs. This resonates with Lestari & Wibowo's (2022) recommendation that cross-sector collaboration—linking MSMEs, local government, and creative communities—can foster a more resilient and competitive business ecosystem.

Furthermore, integrating culinary MSMEs into the local tourism value chain offers a sustainable growth avenue. By embedding products into tourism experiences—such as being part of hotel menus, souvenir packages, or culinary tours—MSMEs can tap into higher-spending consumer segments. The projected economic impact, if properly executed, includes increased MSME revenues, job creation, and stronger regional branding. This mirrors the multiplier effect observed in other cultural tourism destinations, where local food becomes a key attraction.

In summary, the combination of creative economy strategies, digital adoption, institutional collaboration, and tourism integration forms a holistic development framework for Ranggagading's culinary MSMEs. By addressing internal weaknesses while capitalizing on external opportunities, these enterprises can transition from traditional, small-scale operations into competitive and sustainable actors within Indonesia's growing creative economy sector.

#### IV. CONCLUSION

The study concludes that culinary MSMEs in Ranggagading possess unique local products and cultural heritage that can serve as competitive advantages within the creative economy framework. However, their growth is constrained by limited capital, weak business management, low digital literacy, and dependence on local markets. The SWOT analysis highlights strategic directions such as digital promotion, tourism partnerships, cooperative group formation, product innovation, and institutional strengthening. If effectively implemented, these strategies have the potential to enhance revenue, expand market reach, preserve cultural heritage, and establish culinary MSMEs as sustainable drivers of the local creative economy.

Based on the findings, several recommendations are proposed. First, local governments should intensify training programs in digital marketing, financial management, and entrepreneurship to strengthen MSME capacity. Second, collaboration between MSMEs and tourism actors should be encouraged to integrate local culinary products into tourism value chains. Third, financial institutions need to provide easier access to microcredit tailored to the needs of small-scale culinary businesses. Finally, MSME associations or cooperatives should be strengthened to facilitate joint branding, procurement, and marketing.

This study is limited by its qualitative scope, which focused on a small number of MSMEs within Ranggagading. The findings may not fully capture the heterogeneity of culinary MSMEs in broader regions. Moreover, the reliance on self-reported data from interviews and FGDs may introduce subjectivity and bias in interpreting results.

Future studies should adopt mixed-methods approaches or quantitative surveys to validate the SWOT-based strategies across larger samples and diverse geographic areas. Comparative research across different regions could also provide deeper insights into how cultural narratives and digital adoption shape MSME competitiveness. Additionally, longitudinal studies examining the implementation outcomes of the proposed strategies would enrich understanding of their sustainability and long-term economic impact.

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