

Creative Economy Development Strategy in an Effort to Increase Income in SMES (UMKM) CV. Cita Mandiri Keripik, Batu City

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INDEXING	ABSTRACT
<p>Keywords: Keyword 1 ; Creative Economy Kwyword 2; Development Keyword 3 ; Income Keyword 4 ; Strategies Keyword 5 ; SWOT</p>	<p>The objective of this study is to identify the creative economy development strategy aimed at increasing income in CV SMEs Cita Mandiri Chips Batu City. This research employs a qualitative approach, utilizing data collected through interviews with the leader of CV SMEs Cita Mandiri Chips Batu City. The data analysis methods applied in this study include descriptive analysis and SWOT analysis. The results of the SWOT analysis confirm that the creative economy development strategy to increase the income of CV SMEs Cita Mandiri Chips Batu City includes maintaining product prices in line with the market, ensuring employees adhere to Standard Operating Procedures (SOPs), preserving product quality, offering a variety of products, increasing employee salaries, producing goods based on market demand, stocking non-perishable raw materials, selling products online, maintaining cleanliness and order in product displays at the store, providing bonuses for employees who meet work targets, and utilizing machines for production. The opportunity factors in enhancing the development of the creative economy include a strategic business location near the market, products that serve as souvenir snacks, distinctive product characteristics, and the use of online marketing. Meanwhile, the challenge factors involve the presence of numerous similar businesses in the area, the seasonal availability of fruit raw materials, and rising raw material costs.</p>

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INTRODUCTION

The creative economy is acknowledged as a crucial driver of business and economic development (Suciu & Năsulea, 2018). The primary goal of economic activities is to enhance the quality of life within the community. Meeting community needs can be achieved through various factors, such as job creation and economic improvement. Additionally, this can contribute to reducing unemployment, as Indonesia possesses abundant human resources that have not yet been fully optimized (Burgess et al., 2020).

Efforts to enhance community welfare have shifted the focus of development from broad economic growth to sustainable development. The demand for economic efficiency drives innovation, positioning the creative economy as a viable solution. Increasing the added value in the creative economy sector will promote higher, more inclusive, and competitive economic growth. This makes business actors in the creative economy an important actor in the economic activities of the Indonesian people. (Zuhria, 2024).

UKM Chips CV. Cita Mandiri operates in the production sector, specifically producing chips. Located in Junrejo Village, this SME can leverage the creative economy as a means of support and optimize the sales process of potential

commodities. This can be achieved by implementing activities that enhance product appeal, such as creating more attractive packaging for consumers. Additionally, diversifying flavors in vegetable-based chips, such as processing potatoes and mushrooms into potato chips and mushroom chips, serves as a strategy to develop and support SMEs.

In response to the increasingly competitive market challenges, CV. Cita Mandiri must adopt the right strategy to grow and increase its revenue. However, SMEs often encounter various obstacles in developing a creative economy strategy. Some of these challenges include limited access to broader markets, insufficient capital, and a lack of understanding of effective marketing strategies, all of which must be addressed to ensure sustainable growth.

Based on the background of the problem mentioned above, the author has chosen the topic: "Creative Economy Development Strategy in an Effort to Increase Income in CV SMEs. Cita Mandiri Chips in Batu City." The purpose of this research is to explore and understand the creative economy development strategies that have been implemented in CV. Cita Mandiri SMEs and to identify both the opportunities and challenges they face in developing their economy through a creative approach.

LITERATURE REVIEW

Sari defines strategy as a fundamental pattern of goals and plans, resource allocation, and an organization's interaction with markets, competitors, and environmental factors. Strategy serves as a plan or method, incorporating a set of tactics or approaches aimed at achieving a specific goal or outcome (Sari, 2020). Meanwhile, the creative economy is a modern economic concept that integrates information and creativity, relying on human resource-driven ideas, innovation, and knowledge as key production factors.

Micro businesses are productive enterprises owned by individuals and/or individual business entities that meet the criteria for micro businesses. Small businesses, on the other hand, are independent productive enterprises operated by individuals or business entities that are not subsidiaries of companies owned, controlled, or directly or indirectly part of a medium-sized business. According to the definition provided by the Ministry of Cooperatives and SMEs in Aufar, commercial enterprises classified as Micro Enterprises (UMI) and Small Enterprises (UK) must have a minimum annual sales revenue of Rp. 1,000,000,000 and a maximum net worth of Rp. 200,000,000, excluding real estate and buildings used for business operations (Aufar, 2014)..

RESEARCH METHOD

This study adopts a descriptive approach, meaning that the collected data is not in numerical form but rather consists of interview transcripts, field notes, personal documents, researcher memos, and other supporting official documents (Kho et al., 2023).. The purpose of using a qualitative descriptive approach is to enable researchers to describe the empirical reality behind the phenomena related to the lack of understanding of effective development strategies, limited access to information, and insufficient skills and knowledge in implementing the Creative Economy to enhance income effectively for SMEs in Batu City.

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This research employs a qualitative method, which is specifically suited for studies that require description, recording, analysis, and interpretation of collected materials. Data is gathered through observations, interviews, and documentation, with a particular focus on the key issues examined in this study.

The data analysis technique in this method positions the researcher as the key instrument, collecting data using purposive techniques and snowball sampling. In qualitative research, triangulation is also employed as a data collection technique. The data analysis process follows an inductive or qualitative approach, emphasizing meaning, generalization, description of meaning, and an overall depiction of the studied object.

SWOT ANALYSIS

The SWOT analysis is utilized to determine the creative economy development strategy implemented by CV SMEs Cita Mandiri Chips Batu City in an effort to increase income. Based on an interview with the business owner, Mrs. Wati, she explained that the strategy includes both opportunities and threats. She stated:

"Business opportunities include a strategic location near the market, distinctive product characteristics, products marketed as souvenir snacks, and the use of online marketing. However, business threats include employees resigning to start similar businesses, the presence of many competitors, and the risk of unsold products." (Interview, January 06, 2025).

According to the results of interviews with the owner of CV SMEs Cita Mandiri Chips Batu City, Mrs. Wati, she explained that the creative economy development strategy for increasing income consists of business strengths and weaknesses. She stated:

"The strengths of the business include affordable prices, skilled employees who ensure high product quality, and durable products. However, the weaknesses include seasonal raw materials, rising raw material costs, and difficulty competing with similar businesses." (Interview, January 06, 2025).

RESULT AND DISCUSSION

EXTENSIFICATION (EXTERNAL ENVIRONMENT)

Table 1 Extensification Analysis (External Environment)

<i>Opportunities Analysis</i>	Weight	Rating					Weight x Rating
		5	4	3	2	1	
1. Strategic business location	0,30		X				1,20
2. Products as souvenir snacks	0,30	X					1,50
3. The product has unique characteristics	0,20		X				0,80
4. Online marketing	0,20			X			0,60
Total	1,00						4,10
<i>Threats Analysis</i>		5	4	3	2	1	
1. There are many similar businesses	0,40	X					2,00
2. Employees stop working	0,40		X				1,60

<i>Opportunities Analysis</i>	Weight	Rating					Weight x Rating
		5	4	3	2	1	
3. The product is not selling	0,20		X				0,80
Total	1,00						4,40

Source : Primary Data, 2025.

Description: Rating 5 = Very Strong, 4 = Strong, 3 = Moderate, 2 = Weak, 1 = Very Weak

The results of the SWOT analysis on the external environment in Table 4.1 indicate that there are four (4) opportunity factors for enhancing the development of the creative economy. These include strategic business locations near the market, products as souvenir snacks, products with distinctive characteristics, and online marketing. Meanwhile, the threat factors in creative economy development include the presence of many similar businesses, employees resigning to start similar businesses, and unsold products.

INTENSIFICATION (INTERNAL ENVIRONMENT)

Table 2. Intensification Analysis (Internal Environment)

<i>Strengths Analysis</i>	Bobot	Rating					Bobot x Rating
		5	4	3	2	1	
1. Cheap product prices	0,25		X				1,00
2. Employees are skilled at work	0,25			X			0,75
3. Good quality products	0,20		X				0,80
4. Long-lasting products	0,30			X			0,90
Total	1,00						3,45
<i>Weaknesses Analysis</i>		5	4	3	2	1	
1. Seasonal fruit raw materials	0,40		X				1,60
2. The price of raw materials has increased	0,30			X			0,90
3. Unable to compete with similar businesses	0,30				X		0,60
Total	1,00						3,10

Source : Primary Data, 2025.

Remarks: Rating 5 = Very Strong, 4 = Strong, 3 = Moderate, 2 = Weak, 1 = Very Weak

The results of the strength analysis of CV UKM Cita Mandiri Chips Kota Batu highlight several key advantages, including affordable product prices, skilled employees, high-quality products, and durable products. On the other hand, the weakness analysis of CV UKM Cita Mandiri Chips Batu City identifies challenges such as seasonal fruit raw materials, rising raw material costs, and difficulty competing with similar businesses.

SPACE Matrix

The qualitative analysis results of external factors, including opportunities and threats, indicate that the opportunity score is 4.10, while the threat score is 4.40. This suggests that threats outweigh opportunities, with a difference of -0.15, calculated by subtracting the weighted opportunity rating from the weighted threat rating and then dividing by two. Meanwhile, the internal analysis table presents a strength score of 3.45, which is greater than the weakness score of 3.10, with a difference of 0.17, obtained by dividing the weighted strength rating difference by half. These calculations follow the provisions outlined by Rangkuti (2018). The SPACE matrix visualization is illustrated as follows.

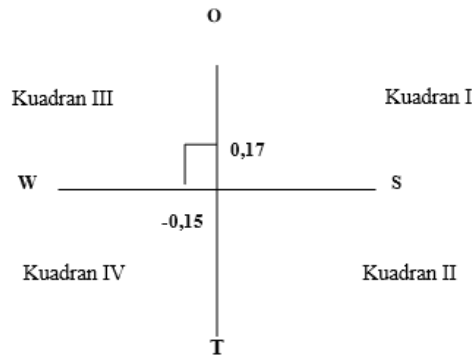


Figure 1. SPACE Matrix Information:

- Financial strength = FS
- Competitive Advantage = CA
- Environmental stability = ES
- Industrial strength = IS

Based on the SWOT analysis in Quadrant 3, the business has strong opportunities, such as a strategic location, distinctive products, and online marketing. However, it also faces significant weaknesses, including seasonal raw materials, rising raw material prices, and intense competition. To address these challenges, the most suitable strategy is the Turnaround Strategy, which focuses on reducing weaknesses while maximizing opportunities to maintain business competitiveness. The best approach is to overcome issues related to raw materials and competition while leveraging strategic locations and online marketing. With the right execution, this business can continue to grow and strengthen its market position.

Formulation of Alternative Strategies Based on Intensification and Extensification

The determinants of success serve to provide clear direction for the organization in achieving its vision and mission (Mutie & Irungu, 2014). This is done by setting goals, objectives, and strategies in an effective and efficient manner, considering key factors that influence success. These factors are identified through an internal and external environmental analysis, helping to assess urgency, impact, and priority scales. By establishing a priority scale, the organization gains comprehensive insights into what needs to be implemented and prioritized to achieve its objectives. The key determinants for the development of the creative economy in CV SMEs Cita Mandiri Chips, Batu City, are formulated as follows:

Table 3. Alternative development strategies

IFAS	STRENGTH(S) 1. Cheap product prices 2. Employees are skilled at work 3. Good quality products 4. Long-lasting products	WEAKNESSES (W) 1. Seasonal fruit raw materials 2. The price of raw materials has increased 3. Unable to compete with similar businesses
EFAS		

<p>OPORTUNITIES (O)</p> <ol style="list-style-type: none"> 1. Strategic business location 2. Products as souvenir snacks 3. The product has unique characteristics 4. Online marketing 	<p>STRATEGI SO</p> <ol style="list-style-type: none"> 1.Maintaining product prices to meet market expectations (O1, S1) 2.Monitoring employees to ensure they work according to SOPs (O2, S2) 3.Maintaining good product quality (O3, S3) 	<p>STRATEGI WO</p> <ol style="list-style-type: none"> 1.Store stocks of non-perishable raw materials (O2, W1, W2) 2.Selling products online (O4, W3)
<p>THREATS (T)</p> <ol style="list-style-type: none"> 1. There are many similar businesses 2. Employees stop working 3. The product is not selling 	<p>STRATEGI ST</p> <ol style="list-style-type: none"> 1.Selling a variety of products (T1, S1) 2.Providing employee salary increases (T2, S2) 3.Producing products according to market needs (T3, S3, S4) 	<p>STRATEGI WT</p> <ol style="list-style-type: none"> 1. Maintaining cleanliness and neat product displays in the store (T1, W3) 2. Providing bonuses when employees meet work targets (T2, W3) 3. Producing products using machines (T3, W2)

Source: Primary and Secondary Data Analysis, 2025.

Based on the results of the SWOT analysis, the creative economy development strategy for increasing income in CV SMEs Cita Mandiri Chips Batu City involves several key actions:

- Maintaining product prices in alignment with the market.
- Ensuring employees follow Standard Operating Procedures (SOPs) to maintain efficiency.
- Preserving product quality to ensure consistency and customer satisfaction.
- Expanding product variety to cater to different consumer preferences.
- Increasing employee salaries as motivation and retention strategy.
- Producing market-driven products based on consumer demand.
- Stocking non-perishable raw materials to ensure production continuity.
- Utilizing online sales channels to reach a broader market.
- Maintaining cleanliness and organized product displays in stores.
- Providing performance-based bonuses for employees who meet work targets.
- Using machines to enhance

Creative Economy Development Strategies Applied in CV.Cita Mandiri SMEs in Increasing Income

Based on the research findings, the creative economy development strategy to increase the income of CV SMEs Cita Mandiri Chips Batu City involves maintaining product prices in alignment with market standards. It also includes ensuring that employees adhere to Standard Operating Procedures (SOPs) to enhance efficiency in the workplace. Maintaining high product quality remains a priority to sustain customer trust and satisfaction. Additionally, selling a variety of products allows the business to attract a wider consumer base. Another important aspect of the strategy is providing salary increases for employees as a form of incentive to boost productivity. Producing goods that align with market demand is also a crucial approach to optimizing sales potential. To ensure a smooth production process, the company stores raw materials that are non-perishable, allowing for continuous availability of supplies. Moreover, the business utilizes online platforms for product sales, which helps expand its market reach beyond local customers. Maintaining cleanliness and order in product arrangements within the store is also emphasized to create a pleasant shopping environment. Furthermore, employees who successfully meet their work targets are rewarded with bonuses, which serve as motivation to improve performance. Lastly, the production process is carried out using machines to enhance efficiency, consistency, and overall productivity.

These findings align with the research conducted by Zuhria, which confirms that the formulation of creative economy development strategies involves utilizing machines in production to enhance speed and efficiency, maintaining high product quality, and ensuring that products are sold in accordance with market demand (Zuhria, 2024).. The development strategy of the creative economy serves as an initiative to strengthen economic growth through creativity and innovation. This sector integrates the transformation of innovative ideas into creative and distinctive products, contributing to economic progress.

The study results indicate that the creative economy development strategy implemented by CV SMEs. Cita Mandiri plays a crucial role in increasing revenue. The opportunities and strengths that contribute to the growth of the creative economy in CV SMEs. Cita Mandiri Chips Batu City include a strategic business location near the market, products positioned as souvenir snacks, distinctive product characteristics, and online marketing through platforms such as Shopee, TikTok Shop, Tokopedia, Facebook, and Instagram. Additional strengths include low product prices, skilled employees, high-quality products, and durable goods. However, the development of the creative economy also faces threats and weaknesses, such as the presence of numerous similar businesses in the area, employees leaving to start competing businesses, unsold products, seasonal availability of raw materials, rising raw material costs, and the inability to compete effectively with similar businesses.

Opportunities and Challenges Faced in CV.Cita Mandiri SMEs in Developing Their Economy Through a Creative Approach

The research findings reveal that the key opportunity factors in enhancing the development of the creative economy include a strategic business location near the market, products positioned as souvenir snacks, distinctive product characteristics, and online marketing through platforms such as Shopee, TikTok Shop, Tokopedia, Facebook, and Instagram. On the other hand, the main challenges in fostering creative economic growth consist of the presence of numerous similar businesses in the area, the seasonal availability of fruit raw materials, and rising raw material costs. A

creative approach serves as a learning method designed to enhance the creativity of SMEs, ultimately aiming to boost sales (Valaei et al., 2017).

The advantages of conducting a SWOT analysis enable companies to recognize both internal and external factors that influence business performance and growth. By utilizing SWOT analysis, businesses can transform weaknesses into strengths, reduce potential losses, and gain a clearer understanding of the threats and opportunities within the market environment. More than just an assessment tool, SWOT analysis serves as a strategic guide for making informed decisions, effectively managing the business, and optimizing long-term company performance.

CONCLUSION

1. The strategy for developing the creative economy to increase the income of CV SMEs Cita Mandiri Chips in Batu City includes maintaining product prices in alignment with market standards, ensuring employees adhere to Standard Operating Procedures (SOPs), preserving high product quality, diversifying product offerings, increasing employee salaries, producing goods based on market demand, stocking non-perishable raw materials, utilizing online sales channels, upholding cleanliness and organization in product displays, offering bonuses for employees who achieve work targets, and implementing machine-based production for efficiency.
2. The opportunity factors for enhancing the development of the creative economy include a strategic business location near the market, products that serve as souvenir snacks, distinctive product characteristics, and the utilization of online marketing. Meanwhile, the challenge factors involve the presence of numerous similar businesses in the area, the seasonal nature of raw materials, and the rising costs of raw materials.

SUGGESTION

1. UKM CV. Cita Mandiri Kechipik Kota Batu must ensure that product prices remain competitive in the market, supervise employees to follow SOPs to maintain product quality, consistently uphold good product quality, store non-perishable raw materials, and maximize online sales through platforms such as Shopee, TikTok Shop, Tokopedia, Facebook, and Instagram.
2. UKM CV. Cita Mandiri Chips Kota Batu needs to utilize machines to accelerate the production process and improve labor efficiency, while also expanding its production activities by manufacturing mushroom chips, cassava chips, and fruit chips.

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