

# ANALYSIS OF CREATIVE INDUSTRY MSME DEVELOPMENT STRATEGY IN SUPPORTING THE ECONOMY OF THE BONE BOLANGO COASTAL COMMUNITY (STUDY ON CREATIVE ECONOMY MSME IN BONE BOLANGO REGENCY)

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## " ANALYSIS OF CREATIVE INDUSTRY MSME DEVELOPMENT STRATEGY IN SUPPORTING THE ECONOMY OF THE BONE BOLANGO COASTAL COMMUNITY (STUDY ON CREATIVE ECONOMY MSME IN BONE BOLANGO REGENCY)"

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<b>Received:</b> 14 <sup>th</sup> May 2022 <b>Accepted:</b> 14 <sup>th</sup> June 2022 <b>Published:</b> 30 <sup>th</sup> July 2022	<p>This research aimed: (1) to determine the capacity of coastal community institutional human resources and facilities that support the economy of coastal communities and (2) to determine the right strategy for developing MSMEs in coastal areas in Bone Bolango Regency. This research used a quantitative method by distributing questionnaires to 15 creative MSME industry actors. SWOT analysis was used by developing four alternative strategies: SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses Threats) in identifying all the data.</p> <p>The results showed that (1) the position of the quadrant on the SWOT matrix was in quadrant IV, which supported a defensive strategy with the SWOT diagram coordinates of (-0.65; -1,53). (2). The recommended WT strategy was: actors to continue developing their business and utilizing loan facilities for business development.</p>

**Keywords:** Creative Industry, Coastal community, MSME

### INTRODUCTION

Economic growth. It is very necessary in every country because of an increase in economic growth that shows prosperity in increasing per capita output and with increasing people's purchasing power. One way for economic growth in the community sector to develop is to create a business. Because business is a process of applying creativity and innovation in solving problems and can provide opportunities to improve the economy (Sridewi, 2020)

This paper will look at how the strategy of developing Small Micro and Medium Enterprises (MSMEs) in two villages that have economic potential, but in its development still has obstacles and obstacles that significantly affect the development of tourism. Basically a business cannot be separated from strategy and business development in order to survive and be competitive, this is supported by the assistance of the community which is a benchmark for developing or not a business. It can be seen that the growing era and changes in the pattern of human life certainly cause human needs to also change, and also this change has an impact on the development of an area. (Sridewi, 2020).

In the development of an area, the role of the community is very much needed in a development, one of which is in the field of tourism, in this case the community also acts as a subject or actor in development, where the community becomes the actor... it is important to be actively involved in the development. planning process... to tourism management with stakeholders from both the government and the private sector. Substantially, this collaboration between several stakeholders will have their respective functions and benefits. (Ministry of Tourism and Creative Economy, 2012).

Indonesia is a large archipelagic country that has many tourist destinations in the form of reservoirs, beaches, waterfalls, mountains and various other interesting destinations. One of the ecotourism potentials that can be developed in Indonesia is Gorontalo Province. Gorontalo province is in the position of the longest region when compared to other provinces. Since the reign of Governor Dr. Fadel Muhammad 2003 marine and fishery sector has become one of the leading economic commodities to be developed (Kusuma et al., 2021).

In the two coastal villages of Kabila Bone, Bone Bolango Regency, namely the village of Oluhuta and the village of Olele, several MSMEs were developed which are engaged in the management of fishery and handicraft industry products as shown in the table below:

**Table 1.**  
**MSMEs Engaged in the Production of Fishery Products,**  
**Kabila Bone District, Bone Bolango Regency.**

No	MSME Name	MSME Production Results
1	Putri Karang Laut	Tuna Shredded Management
2	Salfa Dor Dali	Handicraft management
3	Tilango Deheto	Making shredded, pickled, fishsausage
4	Sartin Galema	Craft making
5	Putri Melati	Pickled Fish
6	Usaha Mandiri	Making shredded fish

The existence of MSMEs that are run by the local community in several ways is actually inseparable from the existing challenges and obstacles. Some of the initial information obtained during the observation included the capital and the craftsmen themselves. The shortage of people who have talent and competence in this field is an obstacle for an MSME that is hindered in producing handicraft and business materials that are usually produced. When viewed from the market potential and available natural resources, this can be a great economic potential for the local community.

Several facts show that the potential for tourism and the development of MSMEs in this region has not become a driving factor and has not been able to boost the economy of coastal communities and has not been able to boost economic growth due to the absence of sustainable development policies, especially in the marine tourism sector. Coastal communities are still more dominantly dependent on the economy that comes from capture fisheries without the support of climate and weather which is always favorable for fishermen.

In addition, the tourism sector has not been able to optimize the management of marine tourism potential, it can be seen that the tourists who come to visit do not exploit fisheries and marine resources but only enjoy the beauty of the Olele Marine Park and Botutonuo Beach and Molutabu Beach in Bone Bolango Regency.

Efforts to manage and utilize the potential of marine tourism in the Olele Marine Park and Oluhuta Beach Tourism Objects in Bone Bolango Regency optimally can be carried out through fostering small, medium and micro enterprises (MSMEs). The guidance in question includes increasing the ability or expertise by holding regular training, with the hope of increasing the expertise of the local community, so that eventually they can create a field. work in support. business development. marine tourism.

In the initial observations made by researchers, it was shown that the Bone Bolango Coastal area had not utilized the potential of existing natural resources, especially in the development of MSMEs based on the management of the fishing industry. This is caused by the weak quality of household and institutional human resources, preparation of skilled human resources, development of product designs made from local raw materials to become competitive commodities. preparation of facilities and infrastructure, so that these problems have an impact on increasing economic value added. Thus, it has not been able to increase local revenue (PAD) in order to be able to change the position of the GDP of Bone Bolango Regency. which so far is still relatively low. compared to the GDP of districts and cities in Gorontalo Province (Friliyantini et al., 2009).

From the description of the problem above, the author aims to direct this research to two important things: first, to find out how the capacity of coastal community institutional human resources and the facilities that support the coastal community's economy are. Second, to find out the right strategy for developing MSMEs in coastal areas. Bone Bolango District.

## 2. MATERIALS AND METHODS

### SWOT Analysis

SWOT analysis is a stage of systematically identifying various factors to formulate company strategies. This analysis is based on reasoning that can maximize strengths and opportunities, but at the same time minimize weaknesses and threats. The strategic decision-making process is always related to the development of the company's mission, goals, strategies, and policies. Thus, strategic planners must analyze the company's strategic factors (strengths, weaknesses, opportunities, and threats) in the current conditions. This is called Situation Analysis. The most popular model for situation analysis is SWOT analysis (Freddy Rangkuti: 2015)

### Micro, Small and Medium Enterprises (MSMEs)

MSMEs based on Law no. 20 of 2008 concerning MSMEs, outlines the following; Micro Business is a productive business owned by an individual and/or an individual business entity that meets the criteria for a micro business as stipulated in the Law. In addition, according to Friliyanti, et al. (2009). That the strategy in developing MSMEs is solely to improve the community's economy, in which there are several steps, for example programs that favor the government, support for service provision, improve tax management, central and local governments must provide capital, the government must establish cooperation between stakeholders. (Friliyantini et al., 2009). From the existing

institutional problems, it is necessary to strengthen the existing inertiasystem. Ambo Tuwo (2011:157) Weak social and economic institutions of society. Coastal and archipelagic areas require the government to strengthen institutions before implementing an activity. Institutional strengthening focuses on three main elements, namely: (1) norms and rules, (2) organization, and (3) resources

This study uses a type of qualitative research that uses primary and secondary data. In this study, primary data were obtained from questionnaires, documentation, and observations made with the Fisheries Service of Bone Bolango Regency, people who are experts in this field, communities around tourism objects, and SMEs. Meanwhile, secondary data in this study is primary data which was written by the researcher after data collection was carried out. Including data obtained from the relevant village parties, such as Oluhuta village and Olele village. In addition to data from the village government, the data collected came from the fishery office of the Bone Bolango Regency. Meanwhile, in data collection, several methods were used, such as the use of a questionnaire (questionnaire), observation and documentation.

The observation phase carried out in this study was carried out by the author at an early stage before focusing on the problem. From this observation, the researchers identified the problem directly and indirectly. In this research, direct observation at the research site and asking MSME owners in the tourism area, by interviewing MSME owners.

The use of questionnaires or questionnaires in this study was used in the need to get responses from the community regarding the problems studied. Dimaman if alternative answers have been provided. The instrument in the form of a list of questions was in the form of a questionnaire (questionnaire), checklist or scale. And the documentation in this study was carried out using literature from the library, written information from both related agencies and from the internet related to using research.

The design method used in this study is a quantitative analytical descriptive research method. With this method, the writer then performs an analysis using SWOT analysis in which there are two factor analyzes, namely the analysis of internal and external factors with the interaction of the IFAS (Internal Factor Analysis System) and EFAS (External Factor Analysis System) matrices. (Asri Dwi, 2010).

### 3. RESEARCH RESULTS AND DISCUSSION

#### SWOT analysis

##### Analysis of Internal Factors of the Bone Bolango Coastal Community

The use of IFE (Internal Factor Evaluation) matrix analysis to measure two important things, namely the strengths and weaknesses in developing MSMEs located in the coastal area of Bone Bolango.

**Table 2.**  
**Analysis of IFE (Internal Factor Evaluation)**

Internal Strategy Factor		Weigh	Rating	Score
<b>Strength</b>				
<b>S1</b>	Good MSE Product Quality	0,0927	4	0,3708
<b>S2</b>	Affordable product prices	0,0876	3	0,2628
<b>S3</b>	Strategic Business Location	0,0850	2	0,1700
<b>S4</b>	Pretty Good Service	0,0824	1	0,0824
<b>S5</b>	Abundant and quality raw materials	0,0863	3	0,2589
		<b>0,4342</b>		<b>1,1449</b>
<b>Weakness</b>				
<b>W1</b>	The absence of facilities/places for the center for creative activities (Creative economy)	0,0786	3	0,2358
<b>W2</b>	Lack of community events/activities that can become a medium/forum for creative and creative development	0,0850	2	0,17
<b>W3</b>	The relatively high price level for handmade products	0,0798	3	0,2394
<b>W4</b>	Lack of skilled labor in developed businesses	0,0837	2	0,1674



<b>W5</b>	The production process is still simple	0,0695	4	0,278
<b>W6</b>	Lack of Product innovation	0,0798	3	0,2394
<b>W7</b>	Limited capital owned by Creative Economy players	0,0889	1	0,0889
		<b>0,5657</b>		<b>1,4189</b>
		<b>1</b>		<b>-0,274</b>

Data source: Data processed, May 2022

The result score for the strength factor is 1.1449 while for the weakness factor it is 1.4189 so the total for the strength factor is reduced by the weakness factor has a score of -0.274

#### Analysis of External Factors of Bone Bolango Coastal Communities

The use of IFE (Internal Factor Evaluation) matrix analysis to measure two important things, namely the strengths and weaknesses in developing MSMEs located in the coastal area of Bone Bolango.

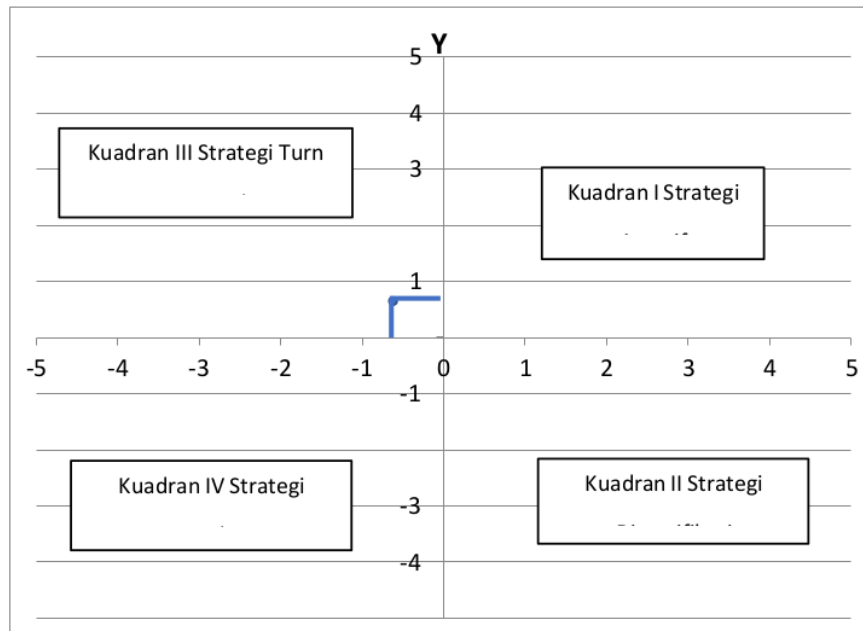
**Table 3.**  
**Analysis of EFE (External Factor Evaluation)**

External Strategy Factor		Weight	Rating	Score
<b>Opportunity</b>				
<b>O1</b>	The number of access to capital that can be utilized by MSMEs	0,1188	4	0,4752
<b>O2</b>	Promising creative product development	0,1188	4	0,4752
<b>O3</b>	The existence of IT facilities in the form of the official website of Bone Bolango Regency as a forum for promotion and marketing of creative industries	0,1101	1	0,1101
<b>O4</b>	Consumers' positive response to Creative Products	0,1118	2	0,2236
<b>O5</b>	The existence of the role and support of the Regional Government	0,1171	3	0,3513
		<b>0,5751</b>		<b>1,6354</b>
<b>Threat</b>				
<b>T1</b>	High level of product price competition	0,1083	1	0,1083
<b>T2</b>	The high growth of MSMEs engaged in the Creative Economy Sector	0,1066	2	0,2132
<b>T3</b>	High level of exploitation resulting in reduced raw materials	0,1013	3	0,3039
<b>T4</b>	A place for making and selling creative industries separate from tourist destinations	0,1083	1	0,1083
		<b>0,4248</b>		<b>0,7337</b>
		<b>1</b>		<b>0,9017</b>

Data source: Data processed, May 2022

The score for the opportunity factor is 0.6354 while the threat factor is 0.7337 so the number for the strength factor is reduced by the threat factor has a score of 0.9017

Next, the table difference is calculated for the results of the analysis of internal factors and the results of the analysis of external factors. Internal factors are -0.274 and external factors are 0.9017. So the coordinates of the Grand Strategy diagram are (-0.274; 0.9017). Based on this difference, coordinates are determined to clearly see how the position of the quadrant "Analysis of Creative Industry MSME Development Strategies in Supporting the Economy of the Bone Bolango Coastal Communities is", as can be seen in the image below:



Although it is not yet critical. This strategy emphasizes efforts to improve operational efficiency, the implementation of which consists of 2 stages. The first is the problem of contraction, namely efforts aimed at reducing company costs, for example reducing costs that are considered unnecessary. The second is the problem of consolidation, namely the development of innovation programs to stabilize the company's business.

**Table 4.**  
**SWOT Matrix**

IFAS	Strength	Weakness
	1. Good MSE Product Quality 2. Affordable product prices 3. Strategic business location 4. Pretty good service 5. Abundant and quality raw materials	1. The absence of facilities/places for the center for creative activities (Creative economy) 2. Lack of community events/activities that can become creative media/forums for creative and creative development. 3. The price level of handmade products is relatively high 4. Lack of skilled labor in developed businesses 5. The production process is still simple 6. Lack of Product innovation 7. Limited capital owned by Creative Economy business actors
EFAS	Strategi SO	Strategi WO
<b>Opportunities</b> 1. The number of access to capital that can be	1. Implementing the government's coaching	1. Cooperating between local governments and MSMEs to

<p>utilized by MSMEs</p> <ol style="list-style-type: none"> <li>Promising creative product development</li> <li>The existence of IT facilities in the form of the official website of Bone Bolango Regency as a forum for promotion and marketing of creative industries</li> <li>Positive consumer responses to Creative Economy products</li> <li>The role and support of the Regional Government</li> </ol>	<p>and development program to develop business</p> <ol style="list-style-type: none"> <li>Adding an experienced workforce</li> <li>Diversification of MSME Products</li> </ol>	<p>conduct training for MSMEs managing HR on online marketing and other digital technologies</p> <ol style="list-style-type: none"> <li>Improving product quality and product branding through technology and information media</li> </ol>
<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>High level of product price competition</li> <li>The high growth of MSMEs engaged in the Creative Economy Sector</li> <li>High level of exploitation resulting in reduced raw materials</li> <li>Places of manufacture and sale of creative industries are separate from tourist destination</li> </ol>	<p><b>Strategi ST</b></p> <ol style="list-style-type: none"> <li>Always innovate to increase value propositions for MSME products so that they can compete in local and international markets</li> <li>Provide easier access to things that support wider marketing, accompanied by mentoring</li> </ol>	<p><b>Strategi WT</b></p> <ol style="list-style-type: none"> <li>Improving the knowledge of MSME human resources in the fields of production, marketing, and marketing, as well as technology</li> <li>Motivating MSME actors to continue to develop their business. Utilize loan facilities for business development</li> </ol>

#### SWOT matrix analysis for SO . Strategy

First, implementing the government's coaching and development program to develop business. In some cases, empowerment is carried out by facilitating MSME activists such as training and providing market share for the products they produce. Second, adding an experienced workforce, some of the problems that are often faced by craftsmen are the shortage of professional people, because in some cases that often happens where commodities are abundant and management resources are inadequate. Third, diversify MSME products. This problem often arises in the context of research due to the lack of creativity of MSME actors in creating products, for example, there are many types of the same product in one village, so this reduces income and tends to be unsuccessful

#### SWOT Matrix Analysis for WO . Strategy

In this strategy there are two important foundations in it. First, collaboration between local governments and MSMEs to conduct training for MSME managers on online marketing and other digital technologies. In the example of implementation in the field, namely how the government provides a kind of socialization related to online product marketing strategies. This is so important to note, when viewed in the context of research that demographically has great ecotourism potential. Second, improving product quality and product branding through information technology, for example, how to improve the quality of shredded fish products and increase the variety of flavors available. From improving the quality of this product, then to the process of creating branding, because in some contexts certain problems that branding will form by itself, when the quality is good.

#### SWOT Matrix Analysis for ST . Strategy

In implementing this strategy, several important things were found related to strengths and threats. Where in the fulfillment of the ST strategy there are two indicators, first, always innovating to increase value propositions for MSME products so that they can compete in local and international markets. Increasing the value in the context of this research, namely, improving the quality of the resulting product, this effort includes several interrelated things, for example maintaining the quality of taste and increasing the variety of product types. Because, the market share will respond to things that are unique and novelty created by the creativity of the community. so that by controlling the local market share, it can lead to the international market share. Second, providing easier access to things that support broader marketing, accompanied by mentoring. Providing access in the sense of making regulations that encourage business to continue continuously, for example making MOUs with other City and Regency governments regarding cooperation in the sale of existing products.

#### SWOT matrix analysis for WT Strategi Strategy

This strategy basically greatly affects the sustainability process of managed MSMEs, because it involves the issue of increasing the capacity of existing product makers. First, increase the knowledge of MSME human resources in the fields of production, marketing or marketing and technology. For example, how to increase the capacity of

human resources in the fields of production, marketing and technology by conducting training or comparative studies to MSMEs that are quite successful in their management. Second, motivating MSME actors to continue to develop their businesses. For example, the support system and support in funding by the government through the budget and village or in related agencies, in this case the Bone Bolango district fishery office. And thirdly, take advantage of the business development loan facility. For example, how about using BumDes. Which is different in every village. This strategy allows all types of businesses to be facilitated and synergized well. Because in certain contexts of the problem, loans made by the community to private cooperatives cause things that are not good or do not become a driving factor for the advancement of MSMEs.

#### 4. CONCLUSION

Based on the research discussion based on the research objectives, at least the authors found two important issues related to the problems faced by MSMEs in coastal communities:

1. Regarding the issue of institutional human resource capacity to support the economy of coastal communities, what must be done is to increase the knowledge of MSME human resources in the fields of production, marketing, and marketing, as well as technology.
2. While the right strategy for developing MSMEs in the coastal area of Bone Bolango is the WT (weaknesses - Threats) strategy, namely the strategy of using the strengths you have to take advantage of existing opportunities. This strategy is known as a defensive strategy by reducing internal weaknesses and external threats that are actually in a dangerous position.

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