

Development Of MSME And Digital-Based Creative Economy In Depok City

Kartika Syskya Wydya

BAPPEDA Kota Depok, Jl. Margonda No.54, Depok, Kec. Pancoran Mas, Kota
Depok, Indonesia

Email: wydyakartika@gmail.com

Kartika Syskya Wydya

Email: wydyakartika@gmail.com

Affiliation: BAPPEDA Kota Depok, Jl. Margonda No.54, Depok, Kec. Pancoran Mas, Kota
Depok, Indonesia.

Submitted: Feb 16 2024;

Accepted: May 07 2024;

Revised: Apr 07 2024;

Online Publication: Jul 30 2024;

© Kartika Syskya Wydya



This work is licensed under the Creative Commons Attribution Noncommercial Share Alike 4.0 International License

Abstract

Micro, Small and Medium Enterprises (MSMEs) and the creative economy are the largest contributors to Depok City's GRDP. However, during the Covid-19 pandemic, both experienced a very significant decline in income. This research examines the development of digital-based MSMEs and creative economy in Depok City in 2022. This research aims to: 1) identify MSMEs and creative economy in Depok City; 2) map potential MSMEs and creative economy that can be developed digitally in Depok City; and 3) formulate policy strategies for the development of MSMEs and digital-based creative economy in Depok City. This research uses a mixed method with questionnaires and SWOT analysis to produce an overview of the condition of MSMEs and digital-based creative economy in Depok City. Based on the results of the identification of the types of MSMEs and Creative Economy businesses in Depok City, they are dominated by micro businesses with individual legal entity status and engaged in the culinary sector. There are 20,808 MSMEs and creative economies in Depok City that have licenses. However, not all can be developed digitally because there are several obstacles, both internal and external. MSMEs and creative economies that have the potential to be developed digitally in Depok City are MSMEs in the culinary, fashion, craft/handicraft, and agriculture/fisheries/livestock sectors. MSME and creative economy actors in Depok City have not fully utilized digital technology at all stages. The constraints faced by business actors in the culinary, fashion, craft/handicraft sectors are dominated by a lack of understanding of digital marketing, while the agriculture/fisheries/livestock sector has limited business capital. Policy strategies for the development of digital-based MSMEs and creative economy in Depok City that can be implemented are increasing the capacity of human resources of MSME and creative economy actors in terms of digitalization, strengthening digital branding of MSME and creative economy products, strengthening

Regional Development Planning and Research Agency of Depok City, Indonesia synergies among MSME and creative economy actors and between stakeholders, and improving and equitable distribution of ICT infrastructure.

Keywords: MSMEs, creative economy, digital marketing, branding, Depok City.

I. INTRODUCTION

The spread of Corona Virus Disease (Covid-19) since 2019 has had significant implications for the Indonesian economy. This condition also affects economic sectors in Depok City, including the tourism, MSME, and employment sectors. Based on data from the Depok City Cooperative and Micro Business Office in 2020, as many as 565 micro business actors surveyed experienced an average decrease in income of 68.37 percent. Data from the Depok City Trade and Industry Office as of April 2020 stated that as many as 942 SMEs in the culinary sector with 3,416 workers, 221 SMEs in the craft sector with 1,339 workers, and 131 SMEs in the fashion sector with 481 workers were affected by the Covid-19 pandemic. Micro, Small and Medium Enterprises (MSMEs) in Depok City have a major contribution to the local economy. The economy of Depok City occupies the third position in the GDP growth rate at current prices in West Java Province with a growth of 6.74 percent (BPS Depok City 2020). In 2019, the number of MSME players in Depok City was 2,385 people, the Depok City Government noted that the contribution of MSMEs to Depok City's GRDP was 60%. Given the importance of the existence of MSMEs for the economy, support from various parties, including the government and the private sector, is needed to maintain their sustainability.

Figure 1.

Depok City's superior MSME products showcased at Indonesia City Expo (ICE) 2022



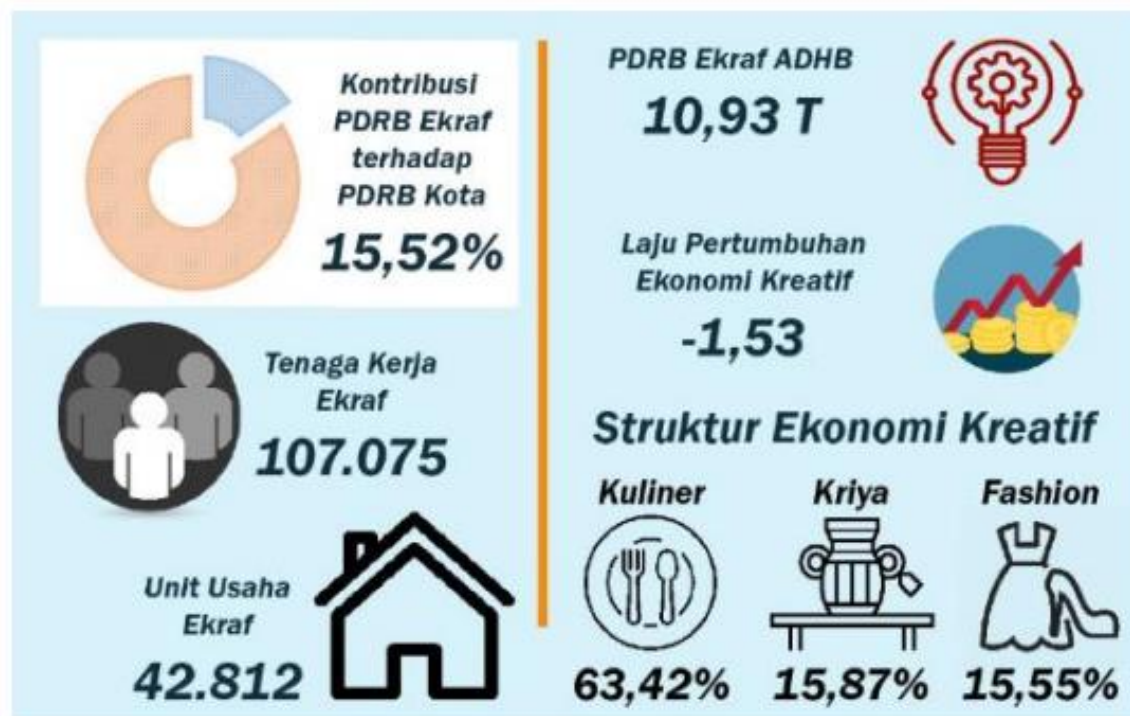
Source : www.radardepok.com

In addition to Cooperatives and Small and Medium Enterprises (SMEs), concern for the Indonesian MSME sector comes from the Ministry of Tourism and Creative Economy. Minister of Tourism and Creative Economy Sandiaga Salahuddin Uno invited creative economy businesses in Depok City to innovate by creating creative content on digital platforms to support product marketing.

The Ministry of Tourism and Creative Economy has developed a number of strategies related to the acceleration of digitalization, ranging from capital assistance to skills training, especially the digitalization of micro, small and medium enterprises (MSMEs) which includes online sales to creative content creation. Creative content can be a strategic promotional tool to improve the marketing of various creative economy products.

Figure 2.

Creative Economy GRDP of Depok City in 2020



Source: *Creative Economy Analysis Book 2020*

In 2020, the creative economy has been able to contribute to Depok City's GRDP reaching 15.52%, exceeding 2019 which reached 15.39%. The three main subsectors that contributed the most to Depok City's creative economy GRDP were the culinary subsector, craft subsector and fashion subsector. The increasing contribution of the creative economy sector to the formation of Depok City's GRDP every year shows the increasingly important role of the creative economy sector in the current and future economic structure of Depok City. Creative economy business development policies and programs are needed to ensure the growth and development of the creative economy sector in Depok City.

Hasan et al. (2021) in their research discussed various ways to develop the creative economy of the MSME sector during the COVID-19 pandemic. The results of this research show that there are various ways to develop the creative economy of the MSME sector during a pandemic, including providing promos from the products offered, product updates, improving services, and digital marketing. Berliandaldo et al. (2021) in their research related to digital transformation develop a digital transformation development strategy that can be accepted by MSMEs by applying the Business Model Innovation approach, so that they can see existing problems by developing concepts that can be needed for MSMEs in order to adapt to all existing conditions and have a competitive value and can be sustainable in accordance with current demands in order to have a competitive advantage. Digital transformation is used to make changes to business strategies carried out by business actors, such as MSMEs.

Based on the results of research (Erlanitasari et al., 2020), it was found that only 36% of MSMEs in Indonesia still rely on traditional marketing methods. As many as 37% of MSMEs only have basic capabilities in online marketing, such as computer access and broadband connection. Along with that, around 18% of MSMEs have more intermediate online capabilities with the ability to use websites and social media. Only about 9% of the total MSMEs have digital marketing capabilities that can be categorized as sophisticated. In addition, only 5% of MSMEs are capable of transacting online. The study recommends that the government conduct intensive socialization related to the MSME digitalization program. In fact, assistance for MSMEs needs to be done so that MSMEs are able to become major players in the development of the digital economy in Indonesia. One of the business strategies that can be carried out by MSMEs according to Ismail et al. (2021) is to expand the network through e-commerce transactions and digital marketing, so that MSMEs can continue to operate while attracting more customers and expanding market share. In addition, Winarko et al. (2020) in their research stated that social media can be utilized to improve the image (brand awareness) of MSME products and services so that they can be positioned in a more persuasive way to the Indonesian community or society in general. Istiatin et al. (2021) in their research conducted socialization to provide understanding for the community and MSME players regarding various MSME business opportunities and the creative economy during the Covid 19 pandemic crisis. In this socialization, the importance of the role of digital marketing for business development is explained.

Some previous studies have not linked MSMEs, the creative economy and digitalization. Unlike the existing studies, this research focuses on the unique situations and challenges faced by MSME and creative economy actors in Depok City. Some of the unique challenges faced by MSME and creative economy actors in Depok City when compared to other cities include different market sizes, different levels of infrastructure, different levels of resource availability, and different levels of awareness and adoption of technology.

This research can provide more specific and relevant insights into development strategies that can be applied at the local level. Research conducted in Depok City can explore the potential and local distinctiveness in the development of MSMEs and digital-based creative economy. This includes identifying sectors with the most potential, as well as accommodating local market needs and characteristics. This mapping can provide novelty value in building a deeper understanding of the business environment in Depok City. Based on the problem formulation above, the objectives of this study are:

1. to identify MSMEs and creative economy in Depok City;
2. to map MSMEs and creative economy that can potentially be developed based on digital in Depok City; and
3. formulate policy strategies for the development of digital-based MSMEs and creative economy in Depok City.

This research can generate more specific recommendations and solutions to address the challenges faced by businesses in the region. By considering local factors, such as technological infrastructure, availability of human resources, and local government policies, this research can provide relevant and implementable guidance for MSMEs and the creative economy in Depok City.

Nur Sarfiah et al. (2019) said that one of the consequences of the COVID-19 pandemic on MSMEs is the impact on a number of cooperatives and micro, small and medium enterprises. A total of 1,785 cooperatives and 163,713 micro, small and medium enterprises have been affected by the coronavirus (COVID-19) pandemic. The majority of cooperatives directly affected by COVID-19 are in the daily necessities sector, while the most affected MSME sector is the food and beverage sector. Cooperative managers have experienced a decline in sales, capital shortages, and difficulties in distribution. Apart from the food and beverage sector, the MSME sectors that have also suffered during the COVID-19 pandemic are creative industries and agriculture (Thaha, 2020). Considering the above situation, measures are needed to assist MSME players in recovering and scaling back their business activities so that productivity and income can gradually increase. In addition, it is also important to encourage community motivation to take advantage of various business opportunities, such as MSMEs and the creative economy, to support and strengthen economic resilience. Many businesses were unable to survive and had to cease operations. A drastic decline in sales levels is the main factor causing this to happen.

Therefore, efforts are needed to develop MSMEs and the creative economy. In their research, (Hasan et al., 2021) show that there are various ways to develop the creative economy of the MSME sector during the COVID-19 pandemic, including providing promos for the products offered, product updates, improving services, and digital marketing.

While Micro, Small, and Medium Enterprises (MSMEs) in the creative economy continue to innovate and drive cultural and economic growth, leveraging digital marketing strategies becomes essential for these businesses to reach broader audiences, enhance their brand presence, and compete in a digital-first world.

Rapid growth in the digital era is unavoidable today. If MSMEs and the creative economy are to survive, they must be able to optimally utilize the benefits of digital development. According to data from the Ministry of Communication and Information as cited by Ismail et al. (2021), to date only eight million MSMEs have undergone the digitization process. Nonetheless, thorough market analysis and changes in customer behavior, such as restrictions on physical meetings and reduced out-of-home activities, actually provide better opportunities for MSMEs in a digital environment to survive or even grow amid the Covid-19 pandemic. However, unfortunately this opportunity has not been fully utilized by MSME players. Only 13% of the total 64 million small and medium enterprises in Indonesia are connected to the digital ecosystem.

The results of Arrizal et al.'s research (2020) found that there are two approaches to digitization efforts for business actors in the creative economy sector and MSMEs, namely legal digitization and economic digitization. Legal digitization includes the process of establishing and registering business entities, registering Intellectual Property Rights online, and registering business licenses online. Meanwhile, economic digitalization involves online training, marketing through social media and e-commerce platforms, and access to information and success advice through official government websites and digital media.

As a suggestion from this study, the Government needs to carry out comprehensive guidance and socialization to the community, including in rural areas, about the ease of doing business for Creative Economy and MSME businesses. In addition, business actors in the Creative Economy sector and MSMEs need to be active in government programs that support the increase in MSME income. Finally, business actors in the Creative Economy sector and MSMEs are advised to consistently switch to digital media, both through social media and websites, in order to take advantage of existing technological facilities and developments. In addition, in a study conducted by Mahriani (2020), it was found that during the Covid-19 pandemic, Indonesians adopted a business model that relied more on digital technology and utilized social media effectively to market their products to consumers.

Fadly et al. (2020) stated that marketing strategies through the internet and digital brand development are very effective marketing strategies, given the current rapid technological advances and the era of the industrial revolution 4.0. Digital marketing is a marketing method in which there is product branding where marketing activities are facilitated by digital media such as social media that can connect people efficiently and effectively. The media that can be used for digital marketing also varies according to the intended market share. One of the media that can be used is Instagram, where this media has a very wide market reach due to its easy use for

both teenagers and parents. The ease of operating social media can be optimized to distribute information and interact with many people, especially potential customers (Anugrah et al., 2022).

In essence, the development of digital-based MSMEs and creative economies is certainly an effort for MSME and creative economy actors to survive, besides that the development of digital-based MSMEs and creative economies is also useful for accelerating the digital transformation process in Indonesia, which at the output MSMEs and creative economies can compete on an international scale.

II. METHODS

The method used in this research is a combination of quantitative and qualitative methods. The quantitative method uses descriptive statistics obtained from the results of questionnaires distributed to MSME and creative economy actors in Depok City through google form. Meanwhile, the qualitative method was carried out by processing primary data collected from interviews and Focus Group Discussions (FGDs) and analyzed using SWOT analysis.

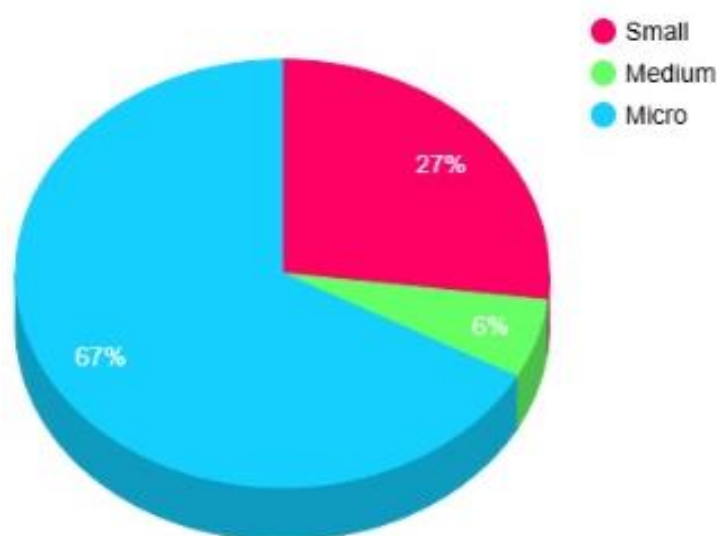
III. RESULTS AND DISCUSSION

Identification of MSMEs and Creative Economy in Depok City

The number of MSMEs in Depok City as of June 2022, based on records from the Depok City Investment and One-Stop Integrated Services Office (DPMPTSP), was 20,808 business units. The number of MSME units by business scale can be seen in Figure 3 below.

Figure 3.

Number of UMKM Business Units in Depok City by Business Scale in 2022



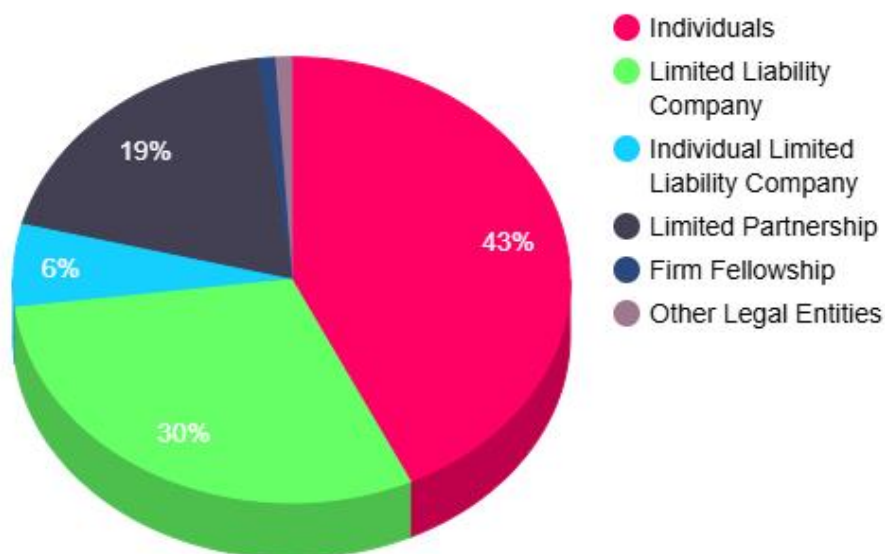
Source: Processed from DPMPTSP Depok City (2022)

Based on Figure 3, it can be seen that the number of MSMEs in Depok City is dominated by micro businesses, followed by small businesses, and the rest are medium-sized businesses. There are more micro businesses than other types of businesses because they are influenced by the local economic characteristics of Depok City, which is dominated by the informal sector and micro business activities. This can be attributed to the socio-economic profile of Depok residents, who tend to have low-income levels and limited access to capital for business development.

As a result, micro-enterprises become an easier and more affordable option for the community. Many business owners in Depok City are limited in terms of capital, skills, and access to markets. These limitations may restrict their ability to grow their businesses to a larger scale such as small and medium enterprises. In addition, factors such as market uncertainty, intense competition, and limited resources may lead them to choose to remain operating on a more controlled and less complex micro-scale. In terms of legal entity status, MSMEs in Depok City are dominated by individuals, totalling 8,990 units or equivalent to 43.20%. For more details, it can be seen in Figure 4 below:

Figure 4.

Number of MSME Business Units in Depok City by Legal Entity Status in 2022



Source: Processed from DPMPTSP Depok City (2022)

The preponderance of MSME units with individual legal entity status occurs because the licensing process and regulations related to small and medium enterprises are also an obstacle for business actors in Depok City. The more complex requirements and higher costs of obtaining licenses and permits for small and medium-sized enterprises are barriers to developing businesses on a larger scale. Many MSMEs in Depok City have limited resources, both in terms of capital, labor, and administrative capabilities. Forming a legal entity requires greater cost, time, and effort. Business owners prefer

to operate as individuals because it is simpler and requires less initial investment. In an individual business, the owner has full control over the business and can make decisions independently. They do not need to consult or coordinate with other parties in decision-making. This gives them the flexibility and freedom to run the business according to their personal wishes and strategies. The process of establishing a legal entity can be time-consuming and complex, especially for MSMEs with limited resources.

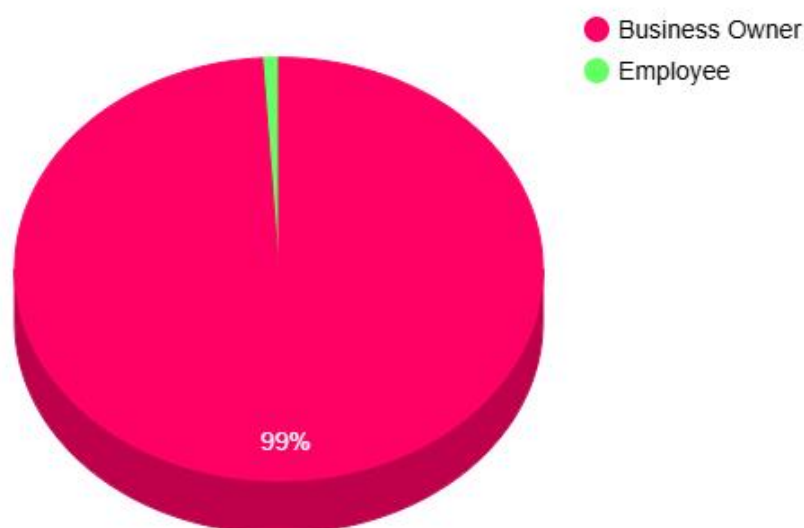
Establishing a legal entity requires taking care of various administrative and licensing requirements that may require additional time, effort and cost. Alternatively, businesses choose to operate as individuals, which has a simpler and faster licensing process. Some MSME businesses are also not fully aware of the benefits and legal protection that legal entity status can provide. Lack of information and understanding about the process and benefits of forming a legal entity may be a factor influencing their decision to continue operating as individuals.

Mapping of MSMEs and Creative Economy Potentials that Can Be Developed Based on Digital in Depok City

The identification and mapping of MSMEs and digital-based creative economy in Depok City is compiled based on the results of questionnaires filled out by related business actors. The number of respondents was 384 people.

Figure 5.

Respondent's Position



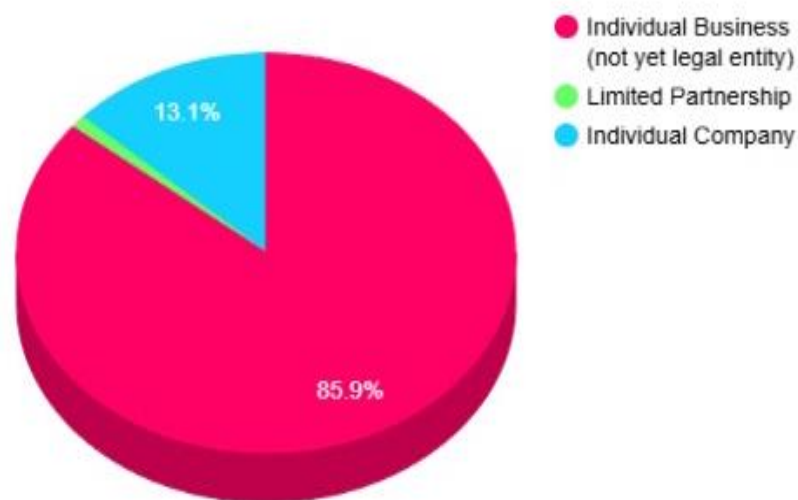
Source: Researcher Data (2022)

Based on the results of the questionnaire, it can be seen that the majority of respondents are their own business owners. This is because the questionnaire was distributed to the data of business owners provided by the Depok City Cooperative

and Micro Business Office, so that it was directly targeted at business owners. This step is very helpful for the research because business owners are the ones responsible for making important decisions in the business and have a deeper understanding of the business operations and strategies they are running. They have extensive knowledge of the business goals, challenges faced, strategic decisions made, and future expectations.

Figure 6.

Business Entity Status

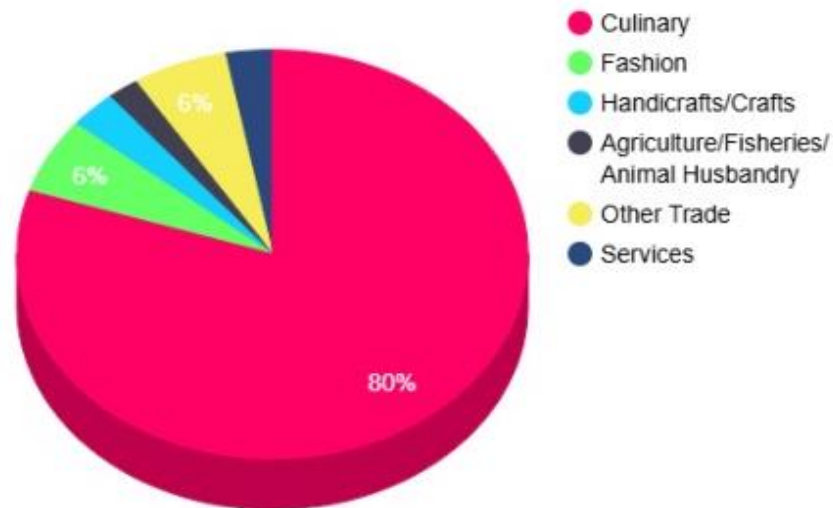


Source: Researcher Data (2022)

The legal entity status of businesses from respondents is still dominated by individual businesses (not yet incorporated). This illustrates the importance of providing adequate education and information to businesses on the benefits and process of forming a legal entity. The government and related institutions can also provide incentives and support to encourage businesses to form legal entities, so as to increase legal protection and open access to wider opportunities.

Figure 7.

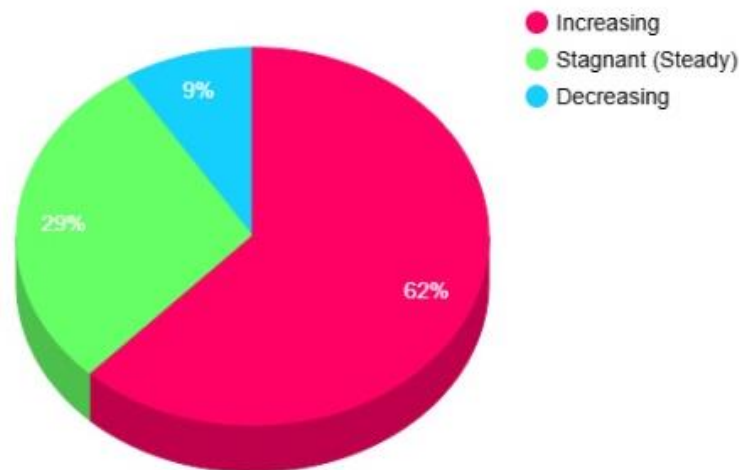
Line of Business



Source: Researcher Data (2022)

Respondents' businesses are dominated by the culinary sector, while the rest are engaged in fashion, handicrafts/crafts, services and the rest are engaged in agriculture/fisheries/livestock. The high number of businesses in the culinary field is due to the high demand and consumer interest in culinary products and services. Food and beverages are basic needs desired by many people, and culinary businesses can attract customers with various menu variations and innovations. This strong demand is an important factor in the growth and dominance of the culinary business sector in Depok City. In addition, with a high population, there is a large market potential for culinary businesses. Depok City also has a rich local culinary diversity. There are many food stalls, restaurants, cafes, and street food vendors that offer various types of cuisine and regional specialties. This culinary diversity attracts entrepreneurs to engage in the culinary business and develop unique products that suit local tastes. The dominance of the culinary field does not mean that other sectors are not growing, but rather indicates the high demand and attractive opportunities in the culinary business in Depok City.

Figure 8.
Culinary Sector Business Development in the Last Three Years

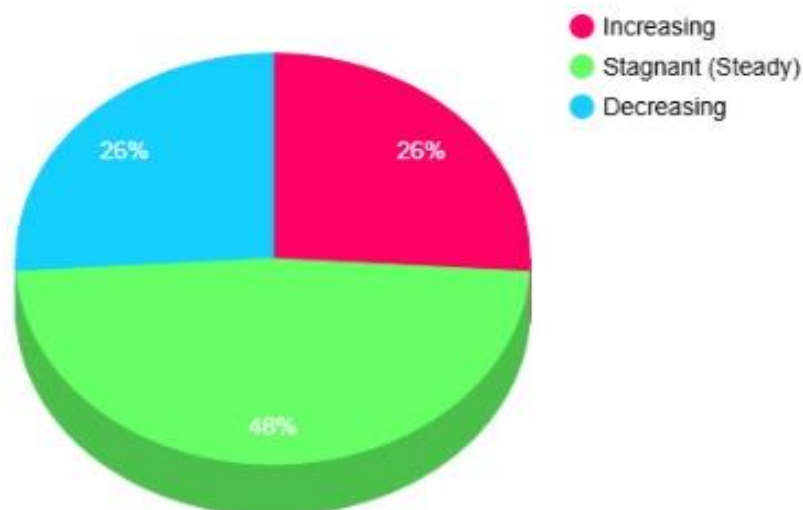


Source: Researcher Data (2022)

Based on the results of the questionnaire, it can be seen that the development of the culinary business in general in the last 3 (three) years is dominated by respondents who think that their business has increased. During the pandemic, restrictions on movement and activities outside the home have led to an increase in demand for takeaway or delivery food. Consumers tend to look for culinary options that are convenient and can be enjoyed at home. This has led to increased demand for ready-to-eat meals, home-cooked meals, and food delivery services.

Figure 9.

Fashion Sector Business Development in the Last Three Years



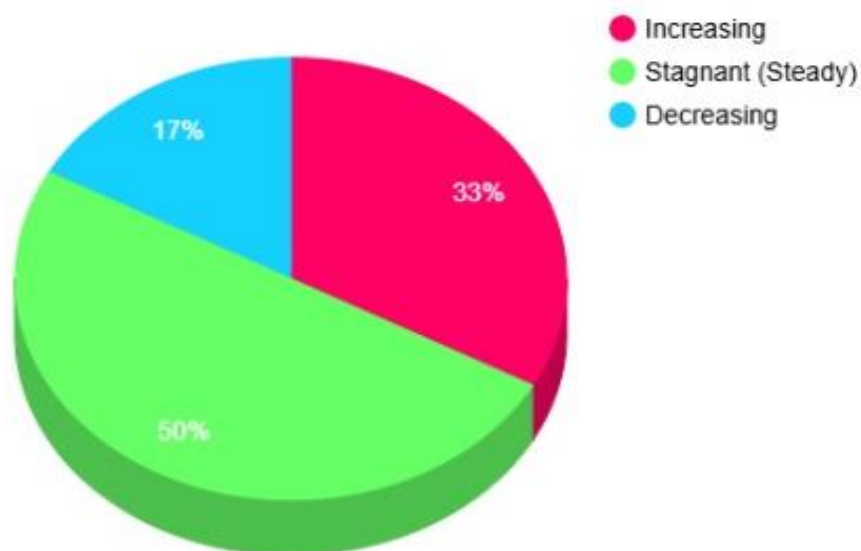
Source: Researcher Data (2022)

The development of fashion businesses in general over the past 3 (three) years is dominated by respondents who think that their business is stagnant (fixed). This can

be understood because during the pandemic, many social events and public activities were restricted or canceled which resulted in a decrease in demand for formal clothing or clothing used for special events. Consumer needs have changed to focus more on clothing that is comfortable to wear at home or casual wear.

Figure 10.

Craft Sector Business Development in the Last Three Years



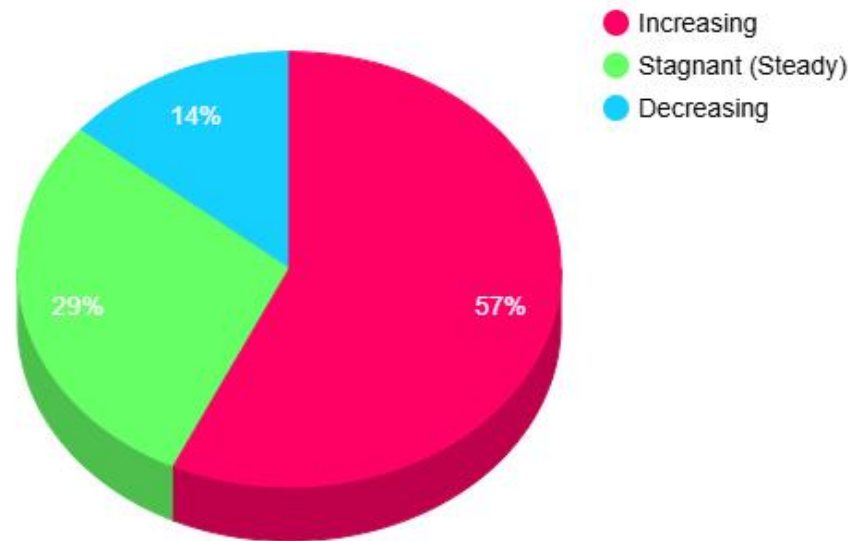
Source: Researcher Data (2022)

The development of handicraft businesses in general over the past three years has been dominated by respondents who believe that their businesses are stagnant. This is because many social events, such as exhibitions, bazaars, or workshops, which are usually promotional and sales events for craft businesses, have been canceled or moved online. This reduces direct marketing opportunities and interaction with customers, thus affecting potential sales.

In addition to the three business sectors above, the development of agriculture/fisheries/livestock businesses in general over the past 3 (three) years was dominated by respondents who believed that their businesses had increased. The COVID-19 pandemic has caused uncertainty in the supply of agricultural, fishery and livestock products from abroad. This encourages people to rely more on local production, thus increasing demand for local agricultural products, fish, meat and livestock products. Governments often provide support and incentives to the agriculture, fisheries and livestock sectors during the pandemic to ensure food security and support the local economy.

Figure 11.

Agriculture/Fisheries/Livestock Sector Business Development in the Last Three Years



Source: Researcher Data (2022)

Identification and Mapping of MSME and Creative Economy Development Strategies

The strategies that respondents have undertaken in developing their businesses are quite varied, namely:

- Determining prices in accordance with maximum quality;
- Choosing the right type of product;
- Choosing the best human resources (HR) employees;
- Doing digital marketing;
- Choosing a strategic business location; and others.

Identification and Mapping of Constraints Faced by MSME and Creative Economy Development

Related to the obstacles faced by MSME and creative economy business actors also vary widely, namely:

- Limited business capital;
- Limited knowledge of business development;
- Lack of understanding of digital marketing;
- Not doing branding;
- Less effective business communication;
- Manual bookkeeping;
- Lack of product innovation; and others.

Identification and Mapping of Plans to be Implemented for MSME and Creative Economy Development

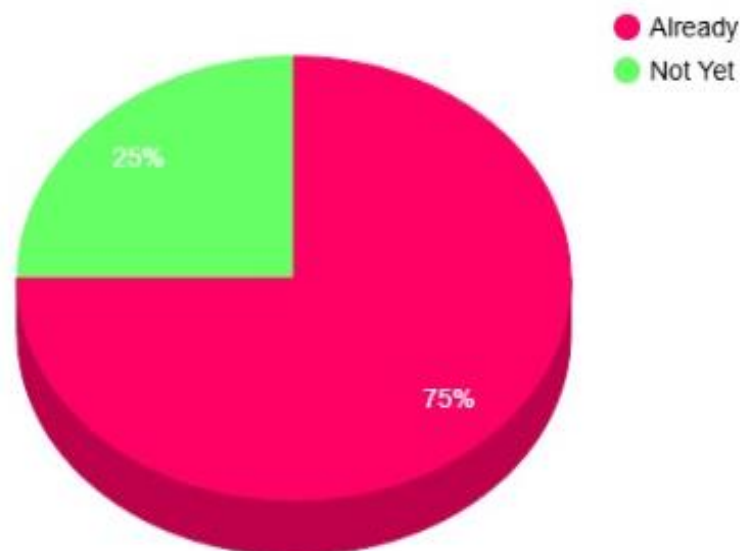
Based on the strategies that have been carried out and the obstacles faced by culinary sector businesses, the respondents developed a plan to be carried out, which consists of:

- a. Reviewing product prices;
- b. Reviewing the right type of product;
- c. Optimization of human resources (HR) of employees;
- d. Optimization of digital marketing;
- e. Digital bookkeeping;
- f. Reviewing business locations; and others.

Business Digitalization Profile

Figure 12.

Use of Digital Technology in Culinary Sector Businesses

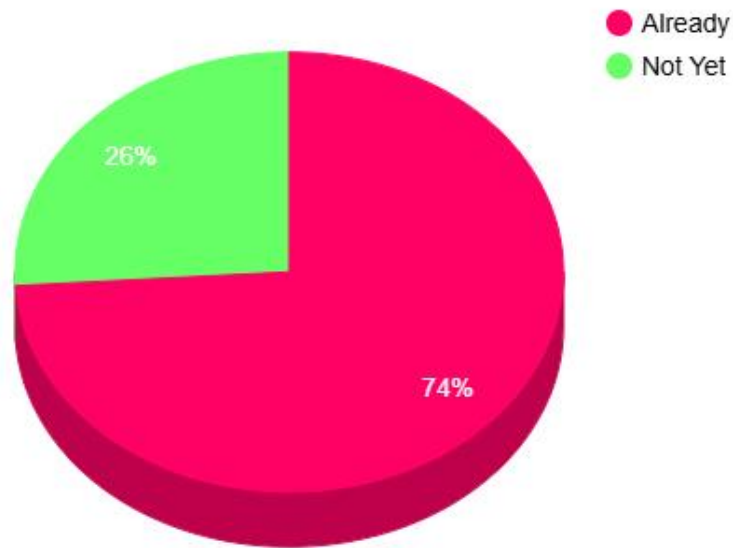


Source: Researcher Data (2022)

Many MSMEs in the culinary sector in Depok City adapted quickly by changing their business models. They started offering food delivery services, creating ready-to-eat meal packages, and increasing their presence on online food ordering platforms. People in Depok City also tend to prefer and support local businesses during the pandemic. They are aware of the economic impact faced by local MSMEs and try to support them by buying food from culinary MSMEs in their own city. This awareness helps increase the demand and growth of culinary MSMEs.

Figure 13.

Use of Digital Technology in Fashion Sector Businesses

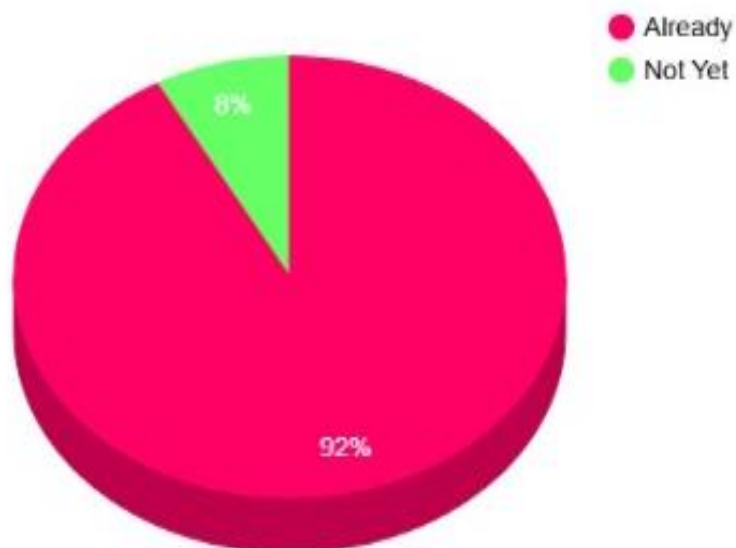


Source: Researcher Data (2022)

Fashion MSMEs can use digital technology to improve efficiency and productivity in their business processes. E-commerce platforms and online marketplaces provide opportunities for fashion MSMEs to sell their products online. Likewise, social media has become an important tool in promoting MSME fashion products.

Figure 14.

Use of Digital Technology in Crafts Sector Businesses



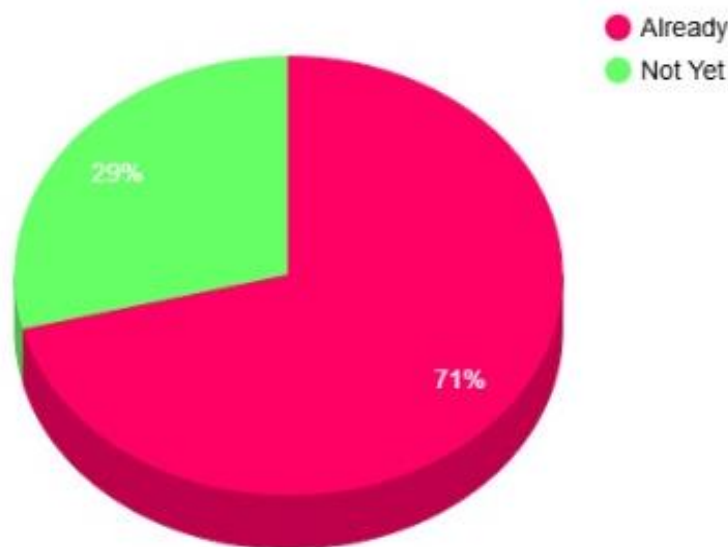
Source: Researcher Data (2022)

During the pandemic, many businesses, including crafts, have turned to online platforms to maintain sales. This has increased competition in the online marketplace,

where many businesses are vying for customers' attention. MSMEs in the craft sector need to compete with a wider offering of similar products that are aggressively advertised by their competitors.

Figure 15.

Use of Digital Technology in Agriculture / Fisheries / Livestock Sector Business Actors



Source: Researcher Data (2022)

The use of digital technology is dominated by utilizing the WhatsApp application, among others, used at the stage of purchasing raw materials as much as 76.23%, the marketing / product promotion stage as much as 99.62%, the stage of receiving orders and sales transactions as much as 99.25%. In addition, the payment stage as much as 83.40% has utilized digital technology which is dominated by the transfer method via Bank and Transfer via Mobile/Internet Banking/QRIS; and the business bookkeeping stage as much as 40.00% has utilized digital technology which is dominated by using the Financial Records application.

Policy Strategy for the Development of MSMEs and Digital-Based Creative Economy in Depok City

Internal Environment Analysis

a. Strength Factors

The following outlines the factors identified as strengths in the development of MSMEs and the creative economy in Depok City, particularly in the culinary, fashion, craft/handicraft; and agriculture/fisheries/livestock sectors.

- MSME and creative economy business actors in Depok City are dominated by business actors who have utilized digital technology, with the

dominance of utilization at the product marketing/promotion stage as well as receiving orders and sales transactions.

- High motivation and enthusiasm of MSME and creative economy businesses in Depok City to move forward.
- Solid social cohesiveness among MSME and creative economy actors in Depok City.

b. Weakness Factors

The following outlines the factors identified as weaknesses in the development of MSMEs in Depok City, particularly in the culinary, fashion, craft/handicraft; and agriculture/fisheries/livestock sectors:

- The constraints faced by business actors are dominated by a lack of understanding of digital marketing.
- The ability to manage product branding and marketing, both digital and non-digital, is not yet optimal.
- Business actors who conduct digital business bookkeeping are still limited.

External Environment Analysis

a. Opportunities Factors

The following outlines the factors identified as opportunities in the development of MSMEs in Depok City, particularly in the culinary, fashion, craft/handicraft; and agriculture/fisheries/livestock sectors:

- Policy support from the central government, West Java Provincial Government, and Depok City Government towards business digitalization and the development of MSMEs and the creative economy.
- Support for training, mentoring, and other activities organized by the government.
- In line with the improving economic conditions and business operations in Indonesia, people's purchasing power has increased again.
- Virtual market (e-commerce) continues to grow.
- Rapid utilization of Information and Communication Technology (ICT).
- ICT infrastructure support for the people of Depok City.
- The HDI value of Depok City during 2018-2021 increased by 1.08 points, and was always above the HDI value of West Java Province.

b. Threat Factors

The following describes the factors identified as threats in the development of MSMEs in Depok City, especially in the culinary, fashion, craft/handicraft; and agriculture/fisheries/livestock sectors:

- Increasingly fierce competition among similar products.
- Changes in the lifestyle of the millennial generation.
- Cyber crime attacks.

SWOT Analysis

Based on the results of the SWOT analysis, alternative strategies for the development of MSMEs and Digital-Based Creative Economy in Depok City can be presented as follows:

S-O Strategy

- Capture government policy support for business digitalization and the development of MSMEs and the creative economy to encourage business actors to utilize and increase the use of digital technology, from purchasing raw materials to business bookkeeping.
- Encouraging motivation and high enthusiasm of business actors to be actively involved in training, mentoring, and other activities organized by the government.
- Capturing the potential to increase the HDI of Depok City by strengthening solid social cohesiveness among MSME and creative economy actors.
- Encourage the use of digital technology by businesses by optimizing ICT infrastructure support for the people of Depok City.
- Capture opportunities for the growth of virtual markets (e-commerce) by strengthening the utilization of digital technology by business actors and encouraging the motivation and enthusiasm of business actors.

W-O Strategy

- Improve business owners' understanding of product marketing, branding, and digital business bookkeeping through government policy support as well as training, mentoring, and other activities organized by the government, including ICT infrastructure support for the people of Depok City.
- Capturing the potential to increase people's purchasing power and virtual market growth through optimizing the use of digital technology by businesses.
- Capturing the potential to increase the HDI of Depok City by increasing business owners' understanding of product marketing, branding, and digital business bookkeeping.

S-T Strategy

- Strengthening the solid social cohesiveness among MSME and creative economy players in Depok City through increasingly fierce competition among similar products and responding to changes in the lifestyle of the millennial generation.
- Optimizing the use of digital technology by business actors in an effort to minimize the impact of cyber crime attacks.

W-T Strategy

- Improve business owners' understanding of product marketing, branding, and digital business bookkeeping in an effort to respond to changes in the lifestyle of the millennial generation and minimize the impact of cybercrime attacks.
- Optimize the ability to manage product branding and marketing, both digital and non-digital in an effort to face increasingly fierce competition among similar products.

IV. CONCLUSIONS

Based on the identification results, the types of MSMEs and Creative Economy businesses in Depok City are dominated by micro businesses with individual legal entity status and engaged in the culinary sector. MSME and creative economy actors in Depok City have not fully utilized digital technology at all stages of business.

The potential MSME and creative economy sectors to be developed digitally include the culinary, fashion, craft/handicraft, and agriculture/fisheries/livestock sectors. The use of digital technology is dominated by utilizing WhatsApp and Instagram applications used in sales and marketing. In addition, the payment stage has utilized digital technology which is dominated by the transfer method via Bank and Transfer via Mobile/Internet Banking/QRIS; and the business bookkeeping stage has utilized digital technology which is dominated by using the Financial Records application.

From the results of the identification and mapping of MSMEs and digital-based creative economy in Depok City, especially in the culinary, fashion, craft/handicraft sectors, it can be seen that the obstacles faced by business actors are dominated by a lack of understanding of digital marketing, while the obstacle in the agriculture/fisheries/livestock sector is limited business capital.

Based on the results of the analysis and policy review, it can be formulated that the goal of developing digital-based MSMEs and creative economy in Depok City is to increase the competitiveness of MSMEs and creative economy through optimizing the use of digital technology. So that in order to realize this goal, it is translated into 4 (four) strategies, namely: Increasing the capacity of human resources of MSME and creative economy actors in terms of digitalization (UMKM and creative economy Go Digital); strengthening digital branding of MSME and creative economy products; strengthening synergies among MSME and creative economy actors and between related stakeholders; and improving and equitable distribution of ICT infrastructure. There are three weaknesses of this research. First, the sampling was imperfect. The sample was not selected proportionally by business type or region. Second, the quantitative and qualitative methods used are very simple, namely descriptive statistical analysis and SWOT analysis. Third, the digitalization aspects discussed are still limited to the use of applications. In the future, this research needs to be improved by adding the variables studied with different data processing methods. Thus, the data collected can be processed using more complex methods such as inferential statistics. The sampling method and survey method should also be improved. Visits

to MSME and creative economy respondents are needed to obtain a more complete and real picture of the current conditions after the COVID-19 pandemic. FGDs are still needed in order to confirm with related parties and disseminate research results to refine conclusions and policy recommendations.

V. ACKNOWLEDGEMENT

We would like to thank the Regional Development Planning and Research Agency of Depok City Government for facilitating this research activity and the resource persons.

VI. REFERENCES

- Anggara, F. S. A. (2016). Analisis Sembilan Komponen Model Bisnis Ekowisata Internasional di Desa Gubugklakah. *Al Tijarah*, 2(1). <https://doi.org/10.21111/tijarah.v2i1.664>
- Anugrah, R., Perwirianto, H. W., Zulfania, M., Ratih, D., Aprilianda, E. N., Haryawan, S. H., Rachmawan Putra, M. A., Wardana, B. S., Cahya, R. A., Ramadhan, R. T., & Arum, D. P. (2022). PENERAPAN BRANDING PRODUK DAN DIGITAL MARKETING SEBAGAI STRATEGI PEMASARAN UMKM. *Community Development Journal: Jurnal Pengabdian Masyarakat*, 3(2). <https://doi.org/10.31004/cdj.v3i2.4702>
- Arrizal, N. Z., & Sofyantoro, S. (2020). Pemberdayaan Ekonomi Kreatif dan UMKM di Masa Pandemi Melalui Digitalisasi. *Birokrasi Pancasila: Jurnal Pemerintahan, Pembangunan, Dan Inovasi Daerah*, 2(1).
- Bäck, L., Ingman, E., Lalwani, D., Müller, M., Sørensen-Behm, C., & Rosenbröijer, C.-J. (n.d.). *Digital Brand Management: A Company and Consumer Perspective*. Retrieved June 11, 2023, from www.arcada.fi
- Berliandaldo, M., Wijaya Holman Fasa, A., Kholiyah, S., Chodiq, A., & Hendrix, T. (2021). TRANSFORMASI DIGITAL DAN STRATEGI PENGEMBANGAN BISNIS UMKM YANG ADAPTIF DAN BERKELANJUTAN PASCA PANDEMI COVID-19. *Jurnal Analis Kebijakan*, 4(2), 54–73. <https://doi.org/10.37145/jak.v4i2.468>
- Cemporaningsih, E., Raharjana, D. T., & Damanik, J. (2020). Ekonomi Kreatif sebagai Poros Pengembangan Pariwisata di Kecamatan Kledung dan Bansari, Kabupaten Temanggung. *Jurnal Nasional Pariwisata*, 12(2). <https://doi.org/10.22146/jnp.60401>
- Erlanitasari, Y., Rahmanto, A., & Wijaya, M. (2020). Digital economic literacy micro, small and medium enterprises (SMES) go online. *Informasi*, 49(2). <https://doi.org/10.21831/informasi.v49i2.27827>
- Fadly, H. D., & Sutarna, S. (2020). MEMBANGUN PEMASARAN ONLINE DAN DIGITAL BRANDING DITENGAH PANDEMI COVID-19. *Jurnal Ecoment Global*, 5(2), 213–222. <https://doi.org/10.35908/JEG.V5I2.1042>

- Hasan, M., Noercahyo, A., Rani, A. E., Salshabilla, N. A., & Izzati, S. N. (2021). PENGEMBANGAN EKONOMI KREATIF SEKTOR UMKM DI MASA PANDEMI COVID-19. *JURNAL EKONOMI PENDIDIKAN DAN KEWIRAUSAHAAN*, 9(2). <https://doi.org/10.26740/jepk.v9n2.p125-138>
- Ismail, I., & Bahgia, S. (2021). Digitalisasi Sebagai Strategi Revitalisasi Usaha Mikro Kecil dan Menengah (UMKM) di Masa Pandemi Covid-19. *Jurnal EMT KITA*, 5(2). <https://doi.org/10.35870/emt.v5i2.431>
- Istiatin, I., & Marwati, F. S. (2021). SOSIALISASI BERBAGAI PELUANG USAHA UMKM DAN EKONOMI KREATIF DI ERA NEW NORMAL DI DUSUN PINGGIR DESA TELUKAN SUKOHARJO. *BUDIMAS : JURNAL PENGABDIAN MASYARAKAT*, 3(1). <https://doi.org/10.29040/budimas.v3i1.2027>
- Mahriani, E. (2020). Model Bisnis di Tengah Pandemi Covid-19. *Jurnal Hadratul Madaniyah*, 7(1). <https://doi.org/10.33084/jhm.v7i1.1596>
- Nur Sarfiah, S., Eka Atmaja, H., & Marlina Verawati, D. (2019). Jurnal REP (Riset Ekonomi Pembangunan) UMKM SEBAGAI PILAR MEMBANGUN EKONOMI BANGSA MSMES THE PILLAR FOR ECONOMY. *Riset Ekonomi Pembangunan*, 4(1). <https://doi.org/10.31002/rep.v4i2.1952>
- Thaha, A. F. (2020). Dampak Covid-19 Terhadap UMKM Di Indonesia [The Impact of Covid-19 on MSMEs in Indonesia]. *Jurnal Brand*, 2(1).
- Winarko, H. B., Sihabudin, A., & Dua, M. (2020). STRATEGI KOMUNIKASI PEMASARAN DIGITAL TERPADU USAHA MIKRO, KECIL, DAN MENENGAH (UMKM). *Jurnal MEBIS (Manajemen Dan Bisnis)*, 5(1). <https://doi.org/10.33005/mebis.v5i1.103>