



Empowering Local Wisdom-Based Food Micro, Small, and Medium Enterprises (MSMEs) to Enhance Business Competitiveness in Ladang Bambu Village, Medan Tuntungan District, Indonesia

¹ A.M Hatuaon Sihite, ² Ikwan Lubis, ³ Nurin Natiqoh Lubis, ⁴ Maringan Sianturi

^{1,3} Universitas Budi Darma, Medan, Indonesia

ARTICLE INFO

Keywords:
MSME empowerment;
local wisdom;
traditional food;
competitiveness;
digital marketing.

ABSTRACT

Local wisdom-based Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in promoting local economic growth while preserving cultural heritage. This study aims to analyze the current condition of local food-based MSMEs, identify the challenges faced by business actors, and formulate empowerment strategies to improve their competitiveness in Ladang Bambu Village, Medan Tuntungan District. This research employed a qualitative approach using a case study method. Data were collected through observations, in-depth interviews, and documentation involving MSME owners, village officials, and related stakeholders. Data were analyzed descriptively through data reduction, data presentation, and conclusion drawing. The findings indicate that local wisdom-based food MSMEs possess significant development potential through the utilization of local raw materials and the preservation of traditional culinary products. However, several obstacles remain, including limited managerial capabilities, low product innovation, inadequate digital marketing skills, and restricted access to business financing. Recommended empowerment strategies include entrepreneurship training, business management mentoring, product and packaging innovation, utilization of digital technology for marketing, and strengthening collaboration among local governments, higher education institutions, and MSME actors. The implementation of these strategies is expected to enhance MSME competitiveness, expand market access, increase community income, and preserve local wisdom as a valuable cultural identity.

Email :
anjusihite282@gmail.com

Copyright © 2026 JEMA.

All rights reserved is Licensed under a [Creative Commons Attribution- NonCommercial 4.0 International License \(CC BY-NC 4.0\)](#)

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) constitute one of the strategic sectors of the Indonesian economy, contributing significantly to economic growth, employment generation, and community welfare. According to Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, MSMEs play a vital role in promoting equitable economic development, expanding employment opportunities, and strengthening national competitiveness. Furthermore, the rapid advancement of information technology and digital transformation has created broader opportunities for MSMEs to expand their market reach, improve business efficiency, and develop more competitive products.

In addition to their economic contribution, MSMEs that develop products based on local wisdom represent an essential component of Indonesia's creative economy by preserving regional cultural identity. Local wisdom encompasses indigenous knowledge, values, traditions, and cultural practices that have been transmitted across generations and serve as distinctive characteristics of local communities. Traditional food products utilizing locally sourced raw materials not only provide economic value but also contribute to cultural preservation while enhancing culinary tourism. Consequently, empowering local wisdom-based MSMEs has become increasingly important to enable these enterprises to remain competitive in the rapidly evolving digital economy and modern marketplace (Sedyastuti, 2018; OECD, 2023).

Ladang Bambu Village, located in Medan Tuntungan District, Medan City, possesses considerable potential for the development of local wisdom-based food MSMEs. Various traditional food products, including banana chips, fermented cassava (tape), cassava-based products, and other indigenous culinary products, have become important sources of household income for local communities. This potential is supported by the availability of local raw materials and the community's inherited expertise in traditional food processing. Nevertheless, preliminary observations revealed that many MSME owners continue to face several challenges, including limited managerial capabilities, inadequate product innovation, uncompetitive packaging

quality, underutilization of digital marketing, and restricted access to financial resources and marketing networks. These limitations reduce the competitiveness of local products compared with commercially manufactured products that have adopted more advanced production and marketing systems. These findings are consistent with the conditions identified in the research report concerning the opportunities and challenges faced by local wisdom-based food MSMEs in Ladang Bambu Village.

Previous studies have demonstrated that the success of MSME empowerment extends beyond financial assistance and is strongly influenced by human resource development, product innovation, digital technology adoption, institutional strengthening, and collaborative partnerships among government agencies, higher education institutions, the private sector, and local communities. Digital transformation through social media platforms, online marketplaces, and internet-based marketing has been proven to expand market access while enhancing the competitiveness of MSMEs. Moreover, product innovation that maintains local cultural values can increase product value while simultaneously reinforcing regional cultural identity.

Although numerous MSME empowerment programs have been implemented throughout Indonesia, studies specifically examining empowerment strategies for local wisdom-based food MSMEs at the village level remain relatively limited, particularly in Medan City. Previous research has primarily focused on digital marketing, financial accessibility, and creative economy development, whereas studies integrating MSME empowerment with the preservation of local wisdom remain scarce. Therefore, this study contributes to the existing body of knowledge by formulating an empowerment strategy that not only enhances business competitiveness but also promotes the sustainability of local cultural heritage.

Based on the foregoing discussion, this study aims to analyze the current condition of local wisdom-based food MSMEs in Ladang Bambu Village, identify the challenges encountered by business owners, and formulate effective empowerment strategies to enhance competitiveness, expand market access, and promote the sustainable development of local wisdom-based enterprises.

METHODS

This study employed a qualitative research approach using a case study design. The qualitative approach was selected because it provides an in-depth understanding of the actual conditions, challenges, and empowerment strategies of local wisdom-based food MSMEs from the perspectives of business owners and other relevant stakeholders. The case study design enabled the researchers to explore the phenomenon comprehensively within its real-life context, thereby generating recommendations that are appropriate to the characteristics of the research setting. This methodological approach is consistent with the primary objective of the study, which emphasizes an in-depth exploration of social phenomena rather than testing causal relationships among variables.

The study was conducted in Ladang Bambu Village, Medan Tuntungan District, Medan City, North Sumatra, Indonesia. The research site was purposively selected because it hosts a number of MSMEs producing traditional food products based on local wisdom with considerable potential to contribute to local economic development.

The research utilized both primary and secondary data sources. Primary data were collected through in-depth interviews with MSME owners, village officials, and other stakeholders involved in MSME empowerment initiatives. Secondary data were obtained from government reports, official documents, legislation, academic publications, and other relevant literature concerning MSME empowerment and local wisdom-based economic development.

Data collection was carried out using field observations, semi-structured interviews, and documentation. Field observations were conducted to examine business operations, production processes, product innovation, and marketing practices implemented by MSME owners. Semi-structured interviews were employed to gather comprehensive information regarding business potential, operational challenges, development strategies, and the forms of support required by MSMEs. Documentation, including photographs, administrative records, program reports, and other relevant archives, was used to complement and validate the primary data.

Data were analyzed using the interactive model developed by Miles, Huberman, and Saldaña (2020), which consists of data condensation, data display, and conclusion drawing/verification. To ensure the trustworthiness of the findings, data credibility was established through source triangulation, methodological triangulation, and member checking, thereby enhancing the validity and reliability of the research results.

RESULTS AND DISCUSSION

Results

Current Condition of Local Wisdom-Based Food MSMEs

The findings derived from field observations and in-depth interviews with MSME owners and local government officials in Ladang Bambu Village indicate that local wisdom-based food Micro, Small, and Medium Enterprises (MSMEs) play a significant role in supporting the local economy and improving community livelihoods. The majority of these enterprises produce traditional food products utilizing locally available raw materials, including banana chips, fermented cassava (tape), processed cassava products, chili sauce, and various other indigenous culinary products. These products not only generate economic value but also represent the cultural identity of the local community, reflecting traditional knowledge and culinary practices that have been preserved across generations.

Most MSMEs operate as family-owned businesses with relatively limited financial resources. Their production activities rely primarily on conventional equipment and family labor, enabling flexible business operations while simultaneously restricting production capacity and limiting their ability to satisfy broader market demand. This condition indicates that although local wisdom-based MSMEs possess considerable development potential, their business scalability remains constrained by operational limitations.

Furthermore, field observations revealed that although most products are well recognized within the surrounding community, they continue to face substantial challenges related to packaging quality, product branding, and digital marketing practices. Business owners generally rely on conventional marketing approaches, including direct sales and word-of-mouth promotion, resulting in limited market penetration and reduced business competitiveness.

Overall, the current condition of local wisdom-based food MSMEs in Ladang Bambu Village demonstrates considerable growth potential. However, sustainable business development requires improvements in human resource capacity, product innovation, digital technology adoption, and continuous support from government institutions and other relevant stakeholders.

Challenges Encountered by MSME Owners

The findings identified several major challenges that hinder the development of local wisdom-based food MSMEs in Ladang Bambu Village.

a. Limited Business Management Capacity

Most MSME owners have not yet implemented professional business management practices. Financial records are generally maintained using simple bookkeeping methods, making it difficult for business owners to evaluate profitability, control production costs, and formulate long-term business development strategies. The absence of structured financial management also limits their ability to access formal financing institutions.

b. Low Product and Packaging Innovation

Although the products possess distinctive traditional characteristics, innovation remains limited in terms of product diversification, packaging design, and brand identity development. Consequently, the added value and competitiveness of these products remain relatively low compared with commercially produced food products that have adopted modern packaging and branding strategies.

c. Limited Adoption of Digital Technology

The utilization of digital technology for marketing purposes remains inadequate. Most MSME owners have not fully adopted social media platforms, online marketplaces, websites, or other digital marketing channels. Sales activities continue to depend primarily on conventional distribution systems, thereby restricting market expansion and reducing opportunities to reach broader consumer segments.

d. Limited Access to Financial Capital

Limited financial capital continues to constitute one of the primary obstacles to business expansion. Insufficient capital prevents MSME owners from increasing production capacity, acquiring modern production equipment, improving product quality, and investing in business innovation.

e. Lack of Sustainable Business Assistance

Although training and business assistance programs have been implemented by relevant institutions, these initiatives are generally conducted on an occasional basis rather than through continuous

mentoring. Consequently, the programs have not yet produced sustainable improvements in managerial capability, entrepreneurial competence, and business performance among MSME owners.

These findings suggest that the development of local wisdom-based MSMEs requires a comprehensive empowerment strategy that extends beyond financial assistance to include capacity building, continuous mentoring, market expansion, and institutional strengthening.

MSME Empowerment Strategies

Based on field observations, interviews, and qualitative data analysis, five major empowerment strategies were identified to enhance the competitiveness and sustainability of local wisdom-based food MSMEs in Ladang Bambu Village.

a. Strengthening Entrepreneurial Capacity

Continuous training programs focusing on business management, financial literacy, bookkeeping, business planning, and entrepreneurship should be implemented to improve managerial competencies and promote sustainable business practices among MSME owners.

b. Promoting Product Innovation

Product development should emphasize improvements in product quality, flavor diversification, packaging design, and brand identity while maintaining the authenticity and cultural characteristics of local traditional products. Such innovation is expected to increase product value and enhance market competitiveness.

c. Optimizing Digital Marketing

The adoption of digital marketing strategies through social media platforms, online marketplaces, business websites, and e-commerce applications should be encouraged to broaden market access. Furthermore, MSME owners require practical training in digital promotion techniques, product photography, branding, and content creation to maximize the effectiveness of online marketing activities.

d. Strengthening Multi-Stakeholder Collaboration

Strategic collaboration among local governments, higher education institutions, financial institutions, and the private sector is essential to ensuring the sustainability of MSME empowerment programs. Such collaboration may include business mentoring, financial support, technology transfer, product promotion, and market facilitation.

e. Preserving Local Wisdom Values

Local cultural values should remain an integral component of product development strategies. The utilization of locally sourced ingredients, traditional production methods, and cultural storytelling can strengthen product differentiation while preserving regional cultural heritage. These characteristics provide unique competitive advantages that distinguish local products from mass-produced commercial alternatives.

Discussion

The findings demonstrate that local wisdom-based food MSMEs possess substantial potential to contribute to local economic development when supported by appropriate empowerment strategies. This potential primarily originates from the utilization of locally available resources, the preservation of traditional culinary knowledge, and the community's long-standing expertise in processing indigenous food products. These findings are consistent with the empowerment theory proposed by Zimmerman (2000), which conceptualizes empowerment as a process of enhancing individuals' and communities' capacities to manage resources independently and improve their quality of life.

From the perspective of local economic development, MSMEs function not only as drivers of economic growth but also as instruments for preserving cultural heritage. According to the OECD (2023), MSMEs constitute a fundamental pillar of inclusive economic development because they generate employment opportunities, increase household income, and strengthen regional economic resilience. The findings of this study support this perspective, indicating that local wisdom-based MSMEs possess significant development opportunities when supported by appropriate government policies, institutional assistance, and sustainable empowerment programs.

The identified limitations in managerial capability and product innovation are consistent with the findings of Sedyastuti (2018), who emphasized that MSME competitiveness is strongly influenced by business management quality, innovation capacity, and entrepreneurs' ability to adapt to changing business environments. Similarly, Anatan and Nur (2023) reported that digital transformation readiness plays a crucial role in improving productivity, innovation capability, and business competitiveness among Indonesian MSMEs.

The present study also reveals that digital marketing remains underutilized by most MSME owners. This finding supports the study conducted by Mahdi et al. (2025), which concluded that digital marketing significantly enhances product visibility, expands market access, and improves MSME competitiveness. Likewise, Rubedo et al. (2024) argued that integrating digital marketing strategies with local cultural values strengthens product branding while increasing consumer trust and loyalty.

In addition to digital transformation, collaboration among multiple stakeholders emerged as another critical determinant of successful MSME empowerment. Local governments play an important role in providing regulatory support, entrepreneurial training, and financial facilitation, whereas higher education institutions contribute through research, innovation, technology transfer, and community engagement programs. These findings are closely aligned with the Quadruple Helix framework, which emphasizes synergistic collaboration among government, academia, industry, and society as a driving force for innovation and sustainable economic development.

Overall, the findings indicate that the successful empowerment of local wisdom-based food MSMEs depends not only on economic support but also on strengthening entrepreneurial competencies, promoting product innovation, accelerating digital transformation, and preserving local cultural values. Therefore, a comprehensive and integrated empowerment strategy is expected to improve MSME competitiveness while simultaneously fostering sustainable local economic development and safeguarding cultural heritage.

CONCLUSION

This study concludes that local wisdom-based food Micro, Small, and Medium Enterprises (MSMEs) in Ladang Bambu Village possess significant potential to contribute to local economic growth while simultaneously preserving regional cultural heritage. This potential is supported by the availability of locally sourced raw materials, the existence of traditional food products, and the community's inherited knowledge and skills in producing culturally based food products. Nevertheless, the development of these MSMEs continues to face several critical challenges, including limited managerial capabilities, insufficient product innovation, inadequate adoption of digital technologies, and restricted access to financial resources and broader marketing channels. Therefore, effective empowerment strategies should focus on strengthening human resource capacity, promoting product innovation, enhancing digital marketing capabilities, expanding market access, and fostering stronger collaboration among government agencies, higher education institutions, financial organizations, and other relevant stakeholders. The implementation of these integrated strategies is expected to improve the competitiveness and sustainability of local wisdom-based MSMEs, create broader business opportunities, increase community income, and preserve local wisdom as an essential component of regional cultural identity. Furthermore, future research is recommended to employ quantitative or mixed-methods approaches to provide a more comprehensive evaluation of the effectiveness of various empowerment strategies in improving MSME performance and long-term business sustainability.

REFERENCES

- Anatan, L., & Nur, R. (2023). Micro, small, and medium enterprises' readiness for digital transformation in Indonesia. *Economies*, 11(6), 156. <https://doi.org/10.3390/economies11060156>
- Creswell, J. W., & Creswell, J. D. (2023). *Research design: Qualitative, quantitative, and mixed methods approaches* (6th ed.). Sage Publications.
- Kementerian Koperasi dan Usaha Kecil dan Menengah Republik Indonesia. (2024). *Laporan kinerja Kementerian Koperasi dan UKM Tahun 2024*. Kementerian Koperasi dan UKM RI.
- Mahdi, U., Listyaningtyas, D., Fachry, E., Mustopa, S., & Yusnita, N. (2025). Pemberdayaan UMKM melalui inovasi digital marketing berbasis kearifan lokal. *SEIKO: Journal of Management & Business*, 9(1), 1684–1695.

- Miles, M. B., Huberman, A. M., & Saldaña, J. (2020). *Qualitative data analysis: A methods sourcebook* (4th ed.). Sage Publications.
- Munte, R., Peranginangin, D., Damanik, E., & Haloho, D. (2025). Integrating digital marketing and local wisdom to enhance MSME performance in North Sumatra. *Jurnal Ilmiah Manajemen Kesatuan*, 14(1), 105–118.
- OECD. (2023). *SME and entrepreneurship outlook 2023*. OECD Publishing. <https://doi.org/10.1787/fa521246-en>
- Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free Press.
- Rubedo, H., Jusuf, D. I., Hanna, A., & Pramudya, A. (2024). Digital marketing strategies for SMEs based on local wisdom in Indonesia. *PINISI Discretion Review*, 7(2), 145–158.
- Sedyastuti, K. (2018). Analisis pemberdayaan UMKM dan peningkatan daya saing dalam kancah pasar global. *Jurnal Inovasi Bisnis dan Manajemen Indonesia*, 2(1), 117–127.
- Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 tentang Usaha Mikro, Kecil, dan Menengah.
- Zimmerman, M. A. (2000). Empowerment theory: Psychological, organizational, and community levels of analysis. In J. Rappaport & E. Seidman (Eds.), *Handbook of community psychology* (pp. 43–63). Springer.