**Journal of Strategic Marketing and Applied Economics**
Vol. 2, No. 1, January-June 2026, pp. 23-42
DOI: https:/ 10.59784/ 10.59261/jsmae.v2i1.37

# Sustainability Strategy for MSMEs Based on Local Raw Materials: A Descriptive Study of the 'Abah Anggit' Chips Business in Paniis, Kuningan

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**Keywords:**
Village MSMEs, Local Food, Marketing, Word of Mouth, Business Sustainability.

**Article Info :**
Accepted: 11-04-2026
Approved: 20-05-2026
Published: 25-06-2026

**ABSTRACT**

Local food based Micro, Small, and Medium Enterprises (MSMEs) are important for village economic resilience, yet they face limited resources, seasonal raw material supply, and weak digital marketing capacity. This study describes how a family food MSME, Abah Anggit Chips in Paniis Village, Kuningan, Indonesia, maintains its business sustainability through production and marketing practices, and examines the related human resource, legality, financial, and risk conditions. A descriptive qualitative single case design was used. Data came from an in depth interview with the owner, who was the main informant, and from direct observation of production and marketing activities, and were analyzed through data reduction, data display, and conclusion drawing, with technique triangulation between interview and observation. The findings show that the business prioritizes village raw materials and sources temporarily outside the village when seasonal supply falls, relies on family labor, has no NIB, PIRT, or halal certification, keeps no separate financial records, and is exposed to cooking oil price and succession risks. Marketing depends mainly on word of mouth rooted in trust and social closeness, while marketplace and Instagram use remains limited by volume based shipping costs and management time. The study adds an integrated single case description linking local sourcing, family based management, and social capital to the sustainability of a village food MSME in West Java. Because it relies on one main informant, the findings are context specific and are not generalized to rural MSMEs.

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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have an important role in national economic development, especially in creating jobs, increasing people's income, and encouraging economic equity. MSMEs are also known to have relatively strong resilience in facing various economic conditions, so they are one of the main pillars of Indonesia's economic stability. In Indonesia, MSMEs account for more than

half of gross domestic product (Tambunan, 2019). At the global level, however, small firms are among the most exposed to external shocks and resource shortages because of their limited resources, a condition known as the liability of smallness (Eggers, 2020), and the literature on entrepreneurship and crises treats such disruptions as a central issue for entrepreneurs and small firms (Doern et al., 2019). Business sustainability is therefore a persistent problem for MSMEs rather than a temporary one.

In rural areas, MSMEs play a strategic role because they grow from local needs and utilize the resources available in the surrounding environment. In addition to being a source of livelihood, village MSMEs also function as a means of community empowerment and the preservation of local potential and products. One form of village MSMEs that has strategic value is local food-based MSMEs, because they not only support food security, but also maintain the economic and cultural sustainability of the village community. Village based enterprises are also regarded as a vehicle for rural entrepreneurship and local economic development, as shown by village owned enterprises in West Java, although these enterprises continue to face limited qualified human resources and weak coordination (Kania et al., 2021). Trust and social capital also play a central role in sustaining the local entrepreneurial ecosystem of small rural enterprises (Tomay & Hegedűs, 2023).

Despite having great potential, local food MSMEs still face various challenges, such as limited human resources, fluctuations in the availability of raw materials, and limited use of digital technology. The development of digital marketing actually opens up opportunities for market expansion, but in practice it has not been fully utilized optimally by village MSMEs due to limited digital literacy, management time, and distribution costs. Evidence from short food supply chains shows that sourcing inputs and labor locally keeps a large share of revenue circulating in the local economy (Filippini et al., 2023; Kłoczko-Gajewska et al., 2024), yet small firms that handle perishable inputs remain vulnerable to supply disruption and need enablers of resilience such as collaboration (Ali et al., 2017). On the marketing side, SMEs report doubts about the benefits of social media marketing and difficulty in tracking its performance (Nazir et al., 2025), and Indonesian MSMEs report problems in finance, human resources, marketing, and operations when preparing for digital transformation (Anatan & Nur, 2023).

Kripik Abah Anggit MSMEs in Paniis Village are one example of local food MSMEs that are still surviving by relying on local raw materials and social relationship-based marketing strategies. Even though they have tried to utilize digital media, word-of-mouth marketing is still the main strategy in maintaining business existence. The problems of this business are concrete. The business has operated since 1996, depends on village raw materials whose supply falls in the dry season, is run mainly by family members without a structured division of tasks, has not yet obtained NIB, PIRT, or halal certification, and is exposed to rising cooking oil prices. Its sales through the Shopee

marketplace are limited by volume based shipping costs, and its use of Instagram is limited by management time.

Previous studies offer relevant but partial answers. Research on Indonesian MSMEs during crises found that most firms stayed open by changing products and production methods, adjusting raw material mixes, and selling online (Kusumasari & Retnandari, 2021), and a study of embroidery entrepreneurs in Tasikmalaya, West Java, linked survival under raw material scarcity to adaptive capacity and local wisdom (Sunarti et al., 2023). Studies of small business marketing show that person to person methods such as word of mouth are used more than technology driven tools among small businesses in Soweto (Soke & Wiid, 2016), and that trusted personal and professional networks help service SMEs in Cameroon win and keep customers (Sigué & Biboum, 2020). Research on social capital further shows that internal and external social networks can strengthen the supply chain resilience of SMEs in Ghana (Asamoah et al., 2020), and that internal social capital has a direct effect on the organizational resilience of SMEs in Australia and New Zealand (Ozanne et al., 2022). In Indonesia, the barriers to halal certification for micro and small enterprises include financial costs, complex regulatory procedures, and limited owner awareness (Fathoni et al., 2025).

The research gap lies in how these strands are combined. The studies above address crisis resilience, supply chain resilience, social networks, digital adoption, or legality barriers separately, mostly through survey samples or in contexts outside Indonesian village food enterprises. Within the literature reviewed here, a descriptive account of how one village food MSME combines local sourcing, family based management, trust based marketing, and limited digital use, together with its legality, financial, and risk conditions, is still limited. The urgency of the study is practical. Village food MSMEs such as Abah Anggit Chips depend on seasonal local inputs, family labor, and informal relationships, so a single supply, price, or succession problem can interrupt their continuity, and support programs need a grounded description of these conditions to be well targeted. The novelty of this study is its integrated, single case description of the production, marketing, human resource, legality, financial, and risk conditions of one multigenerational village chips business in Kuningan, which links local sourcing and social capital to business sustainability without treating digital adoption as the only route to it.

Therefore, this article aims to describe the production and marketing strategies through which Abah Anggit Chips maintains its business sustainability, and to examine the related human resource, legality, financial, and risk conditions, as a single case of a local village food MSME.

The study is expected to benefit business actors, by giving a structured picture of strengths, constraints, and risks that can guide step by step improvement; local governments, universities, and business assistance programs, by showing where support is most needed; and researchers, by offering a documented single case that can be compared with other rural food MSMEs. Theoretically, the study contributes to the

understanding of MSME sustainability by showing how social capital and local resource adaptation operate alongside formal and digital capabilities in the case studied. Practically, it implies that support for village MSMEs should be sequenced and fitted to the capacity of the business, starting from legality, simple financial records, and low cost digital use.

## RESEARCH METHOD

This research used a descriptive qualitative approach with a single case study design, which aims to gain a deep understanding of the real condition of Abah Anggit MSMEs in running their business. This approach was chosen because the research does not focus on quantitative measurement or hypothesis testing, but on efforts to describe phenomena that occur in the field as they are based on the experiences and views of business actors. A single case design is suitable when a contemporary phenomenon is examined in depth within its real life context (Yin, 2018), and the research procedures follow general guidance on qualitative research (Sugiyono, 2019).

### Research Location, Period, and Informant

The study was conducted at the Abah Anggit Chips business in Paniis Village, Kuningan Regency, West Java, Indonesia. [Data collection period: the authors should state the month and year of the interview and observation sessions.] The informant was selected purposively, because the owner and manager, Mrs. Ira Tri Pusanti, together with family members, carries out production, procurement, marketing, and record keeping and therefore holds first hand knowledge of the business strategy. The study relied on one main informant, the owner of the business, so the findings represent the owner's perspective.

### Data Collection Procedure and Instruments

Data collection was carried out through direct interviews with the business owner, namely Mrs. Ira Tri Pusanti, as the main informant of the research. The interviews were conducted in depth so that the researcher could comprehensively explore information related to business management. The interview questions were focused on several main aspects, including the source and availability of raw materials, the stages of the production process, daily business management, and marketing strategies applied in maintaining business sustainability. These aspects formed the interview guide summarized in Table 1.

In addition to interviews, this study is also equipped with direct observation of the production and marketing activities of Abah Anggit MSMEs. Observations are carried out to obtain a real picture of the work process, the condition of the business environment, and the way business actors carry out production and marketing activities. The observation data is used to strengthen and verify the information obtained from the interviews. These aspects formed the observation guide summarized in Table 1.

**Table 1. Research design and procedures**

| Aspect | Description |
|---|---|
| Design | Descriptive qualitative approach with a single case study design |
| Location | Abah Anggit Chips business, Paniis Village, Kuningan Regency, West Java |
| Informant | One main informant: the owner and manager, Mrs. Ira Tri Pusanti (purposive selection, to be confirmed by the authors) |
| Data collection | In depth interview and direct observation of production and marketing activities |
| Interview guide | (1) Source and availability of raw materials; (2) stages of the production process; (3) daily business management; (4) marketing strategies applied to maintain sustainability |
| Observation guide | (1) Work process; (2) condition of the business environment; (3) how production and marketing activities are carried out |
| Data analysis | Data reduction, data display, and conclusion drawing with verification (Rijali, 2018) |
| Trustworthiness | Technique triangulation between interview and observation data (Noble & Heale, 2019) (member checking and audit trail to be confirmed) |
| Ethics | Informed consent and permission to publish the informant's name (to be confirmed) |

Source: Data Processed

## Data Analysis

Data analysis was carried out in a qualitative descriptive manner through three iterative stages: data reduction, data display, and conclusion drawing with verification (Rijali, 2018). The data that had been collected was selected and grouped according to the focus of the research, then presented in the form of a narrative description. Through this analysis, the researcher seeks to describe the factual condition of Abah Anggit MSMEs in the field, especially related to production and marketing strategies applied in facing various business limitations and challenges. Selecting and grouping the data corresponds to data reduction, the narrative presentation corresponds to data display, and the conclusions were checked against the observation data.

## Data Trustworthiness

Data trustworthiness was supported by technique triangulation, in which the observation data were used to strengthen and verify the information obtained from the interview (Noble & Heale, 2019). Credibility can be strengthened further by member checking, in which the interpreted findings are returned to the informant for confirmation (Birt et al., 2016), and by keeping an auditable record of analytic decisions (Nowell et al., 2017).

## Methodological Limitation

The study has a methodological limitation. It relies on one main informant and one business, so the findings reflect the owner's perspective in a single village context and are not presented as representative of rural MSMEs in general. The narrow aim of describing one business in depth supports the information power of the case (Malterud

et al., 2016), but the results should be read as analytic insight that can be tested in other cases rather than as statistical generalization (Yin, 2018). Interviews with employees, suppliers, and customers would be needed to triangulate across sources.

## RESULT AND DISCUSSION

The results are presented by theme. Within each theme, the descriptive findings from the interview and observation are reported first, and the researcher's interpretation, supported by the literature, follows in a paragraph labelled Interpretation.

### Abah Anggit Business Profile

Abah Anggit Chips Business is a family MSME that has been running for generations since 1996. The sustainability of this business is inseparable from family values that are the basis for business management. The name "Abah Anggit" is taken from the name of the owner's grandfather as a form of respect for the previous generation as well as a symbol of the continuity of the family business tradition that is maintained to this day.

This business is managed by Mrs. Ira Tri Pusanti and focuses on the production of snacks made from local village raw materials. Since its inception, Abah Anggit Chips has prioritized traditional flavors and product quality as the main selling point. The products produced have been known by the surrounding community and have regular consumers, especially in the Paniis Village area and its surroundings. The sustainability of the business for more than two decades shows the adaptability of these MSMEs to changing business environmental conditions, even though it is still run simply.

The list of products and prices set by Abah Anggit Chips MSMEs is presented in Table 2.

**Table 2. Products and selling prices of Abah Anggit Chips (source: research data)**

| No | Product Name | Pricing |
|---|---|---|
| 1. | Original cassava chips (Singkong Original) | IDR 45,000/Kg |
| 2. | Balado (spicy chili) cassava chips (Singkong Balado) | IDR 50,000/Kg |
| 3. | Banana chips | IDR 45,000/Kg |
| 4. | [local product name to be confirmed by the authors] | IDR 60,000/Kg |
| 5. | Rengginang, raw (unfried) | IDR 45,000/Kg |
| 6. | Rengginang, fried (Rengginang Mateng) | IDR 50,000/Kg |
| 7. | [local product name to be confirmed by the authors] | IDR 35,000/Kg |
| 8. | Puyur [local name; add an English description] | IDR 15,000/Kg |

Source: Data Processed

Table 2 shows that the business sells eight products at prices between IDR 15,000 and IDR 60,000 per kilogram. Five of the eight products are priced at IDR 45,000 to IDR 50,000 per kilogram, and the average price is IDR 43,125 per kilogram. Product names follow the local names used by the business, with English descriptions added where the product type is clear.

**Local Raw Material Procurement Strategy**

In carrying out production activities, Abah Anggit Chips prioritizes the use of raw materials from local villages. This strategy was chosen with consideration to maintain the freshness of raw materials, maintain the distinctive taste of the product, and support the economic turnover of the village community. The use of local raw materials also allows for a good relationship between business actors and raw material suppliers, most of whom come from the surrounding environment.

In addition to maintaining product quality, the informant stated that the use of local raw materials saves cost and time. The short distance between the production site and the source of raw materials is able to reduce transportation costs and speed up the production process. This is a distinct advantage for MSMEs that have limited capital and resources.

However, the availability of local raw materials is greatly influenced by seasonal conditions. In the dry season or when there is a decrease in agricultural yields, the supply of raw materials from villages is limited. This condition has a direct impact on the production capacity of Abah Anggit Chips and has the potential to hinder the fulfillment of consumer demand.

To overcome these problems, business owners apply an adaptive strategy by looking for raw materials from outside the village as a temporary alternative. This step is carried out without changing the main character of the product and is only used in certain conditions when local raw materials are difficult to obtain. This strategy aims to maintain production continuity so that the business continues to run and does not lose customer trust.

The adaptation carried out shows that the sustainability of village MSMEs requires flexibility in resource management. Even though it is based on local raw materials, MSMEs still need to have a backup strategy to be able to survive the uncertainty of the business environment, without losing the identity and main values inherent in the product. This adaptive sourcing resembles the strategies reported for Indonesian MSMEs during crises, which stayed open by adjusting raw material mixes and production methods (Kusumasari & Retnandari, 2021), and it reflects the role of supplier proximity and supplier relationships in the resilience of small firms (Nakandala et al., 2025). Research on SMEs that handle perishable inputs likewise identifies enablers and barriers of resilience, with collaboration as an important enabler (Ali et al., 2017). Local sourcing also keeps part of the business revenue circulating within the village economy (Filippini et al., 2023; Kłoczko-Gajewska et al., 2024).

**Human Resource Management**

From the aspect of human resources, the Abah Anggit Chips business is managed in a family manner by involving family members as the main workforce in various stages of production. This management pattern is commonly found in village

MSMEs, where work relationships are based on family ties and trust. The system provides advantages in the form of labor cost flexibility, due to the absence of a formal wage system, as well as ease of coordination in the daily production process. In addition, the closeness of the relationship between family members creates a sense of shared responsibility in maintaining product quality and business sustainability.

Family relationships also play a role in creating a more conducive and mutually supportive work atmosphere. Each family member has a relatively similar understanding of business goals, so the decision-making process can be done quickly and simply. This condition is a strength for Abah Anggit Chips in maintaining production consistency even though it is managed with limited resources.

However, dependence on family labor also has limitations that need to be considered. The relatively small number of workers and not always available causes production capacity to be limited. This condition has the potential to become an obstacle when there is an increase in market demand, especially at certain moments such as religious holidays, celebrations, or large orders. If not anticipated properly, labor limitations can affect the timeliness of production and distribution of products.
In addition to the limited number of workers, the managerial aspect is also still simple. Until now, there has been no structured division of tasks between production, marketing, and administrative functions. Most business activities are still carried out simultaneously by business owners and family members, starting from the production process, packaging, marketing, to financial records. This condition is a common characteristic of village MSMEs that are still in the traditional business stage.

In the long term, the absence of a clear division of tasks has the potential to hinder the effectiveness and efficiency of business management. Workload that is concentrated on certain individuals can cause fatigue and decrease productivity. Therefore, increasing managerial capacity, both through a more structured division of tasks and through business assistance, is important to support the development and sustainability of Abah Anggit Chips MSMEs in the future.

The family based labor pattern illustrates the two sides of family involvement in small firms, which has been described as having both lights and shadows for the way human capital contributes to performance (Martín-Hidalgo et al., 2024). In this case, family involvement supplies trust, flexibility, and low cash labor cost, but it also limits capacity. Limited qualified human resources have also been reported for village based enterprises in West Java (Kania et al., 2021), which suggests that the capacity constraint seen here is structural rather than unique to this business.

**Aspects of Business Legality**

In terms of legality, Abah Anggit Chips MSMEs are still at the traditional business stage that is not fully equipped with formal licensing. Business legality such as Business Identification Number (NIB), Household Industrial Food Production Permit (PIRT), and halal certification have not been fully owned. This limited legality has implications

for limited business space, especially in efforts to expand the market to modern retail, cooperation with third parties, and marketing outside the region that requires safety standards and product quality assurance.

However, this condition reflects the reality commonly faced by village MSMEs. The main focus of business actors is still on the continuity of production and meeting the economic needs of families, so administrative and licensing aspects are not yet a top priority. The process of managing legality is often perceived as complicated, time-consuming, and additional costs that are considered burdensome for small-scale business actors.

In the long term, business legality has an important role in increasing consumer confidence and opening up opportunities for access to coaching programs, government assistance, and business funding. Therefore, strengthening the legality aspect is a strategic step that needs to be considered by Abah Anggit Chips MSMEs gradually, so that this business has the opportunity to develop more sustainably without losing its character as a local-based and traditional-based business.

The perception that licensing is complicated, time consuming, and costly matches the barriers to halal certification identified for Indonesian micro and small enterprises, namely financial costs, complex regulatory procedures, and limited owner awareness (Fathoni et al., 2025; Mamduh et al., 2024). The absence of NIB, PIRT, and halal certification at Abah Anggit Chips therefore reflects a wider structural pattern rather than only the priorities of one owner.

## Business Financial Analysis

The financial analysis in this study is limited to the cost and revenue components described by the informant, because the business keeps no separate financial records and quantitative figures on revenue, cost, and profit were not documented during the study. Table 3 summarizes the components identified.

**Table 3. Cost and revenue components of Abah Anggit Chips identified in the study**

| Component | Evidence from this study | Financial implication | Figure to be added |
|---|---|---|---|
| Selling price | Eight products priced at IDR 15,000 to IDR 60,000 per kg; five products at IDR 45,000 to IDR 50,000 (Table 2) | Price is the main revenue lever, and local consumers are sensitive to price changes | [Monthly sales volume] |
| Raw materials | Village materials are preferred; outside materials are bought temporarily in the dry season | Local sourcing lowers transport cost and time; outside purchases add supply uncertainty | [Cost per kg of material] |
| Cooking oil and support materials | Cooking oil is the main cost component of chip production, and price rises are not always matched by selling price adjustments | Input price increases compress the profit margin | [Oil cost per production cycle] |

| Component | Evidence from this study | Financial implication | Figure to be added |
|---|---|---|---|
| Labor | Family members work without a formal wage system | Cash labor cost is low, but unpaid family labor is not reflected in measured profit | [Value of family labor] |
| Distribution | Marketplace sales carry volume based shipping costs | High distribution cost reduces the margin on marketplace sales | [Shipping cost per kg] |
| Financial records | No system that separates business and personal finance was reported | Profit cannot be measured accurately | [Not applicable] |

Source: Data Processed

Three points follow from Table 3. First, the margin of the business is exposed mainly through input and distribution costs rather than through the selling price, and an increase in cooking oil prices is a plausible source of margin pressure, as seen in the large income and profit declines reported by small Indonesian street food vendors during a cooking oil price rise (Suwarso, 2023). Second, unpaid family labor lowers cash cost but hides the true cost of production. Third, without records that separate business and personal finance, the owner cannot test whether price adjustments restore the margin. A full profitability analysis covering revenue, cost of goods sold, and margin requires the owner's records and is therefore proposed as a task for further research.

**Production Challenges and Business Continuity**

Fluctuations in the availability of raw materials are the main challenge faced by Abah Anggit Chips MSMEs. In the dry season, village agricultural yields have a significant decline, so that it has a direct impact on the supply of production raw materials. This condition affects the production capacity of chips and has the potential to disrupt business continuity if not properly anticipated.

The decrease in production capacity not only has an impact on the number of products produced, but also on the stability of business income. Nevertheless, Abah Anggit Chips still maintains product quality as a top priority by implementing strict selection of raw materials, both raw materials from the village and those obtained from outside the village as a temporary alternative.

The flexibility strategy in the procurement of raw materials reflects the adaptability of village MSMEs to changes in the production environment. This adaptation is an important factor in maintaining business sustainability, because it is able to prevent production vacancies that have the potential to cause customer loss and decreased consumer confidence. Evidence from other Indonesian micro enterprises likewise links survival under raw material scarcity to adaptive capacity and local wisdom (Sunarti et al., 2023).

**Business Risk Analysis**

Abah Anggit Chips MSMEs face a number of business risks that come from internal and external factors. The main risk that is most felt comes from fluctuations in the availability of raw materials due to the influence of seasons. Dependence on local agricultural raw materials causes production to not always be able to run stably throughout the year. In certain seasons, the availability of raw materials decreases, potentially reducing production volume and having an impact on business income continuity.

In addition, the risk of increasing the price of cooking oil and other production support materials is also a significant challenge. Cooking oil is the main cost component in the chip production process, so price fluctuations directly affect the cost structure and profit margins of the business. Price increases that are not offset by selling price adjustments have the potential to suppress profits, especially considering the characteristics of local consumers who are sensitive to price changes. Evidence from Indonesia shows that a rise in cooking oil prices can sharply reduce the income and profit of small street food vendors (Suwarso, 2023).

Another risk is related to limited production capacity. Business management that is still family with a limited number of workers causes production capabilities to not be significantly improved when market demand increases. This condition can be an obstacle in fulfilling large quantities of orders and seasonal demand, potentially reducing opportunities for increased revenue.

In addition to operational and market risks, the risk of business regeneration is also an important aspect that needs to be considered. As a family MSME that has run across generations, business sustainability is highly dependent on the readiness of the next generation to continue and develop the business. Without long-term planning related to business management transfer, the risk of business interruption in the future remains open even though the current business conditions are relatively stable. Research on family owned SMEs similarly identifies preparation of successors, building their trust and credibility, and a clear vision as conditions for a successful leadership transition (Nwuke & Adeola, 2023).

**Table 4. Summary of business risks of Abah Anggit Chips**

| Risk | Source | Effect reported in the findings | Related recommendation |
|---|---|---|---|
| Seasonal fluctuation of raw materials | External (environment) | Lower production volume and unstable income in the dry season | Existing practice of temporary outside sourcing is maintained |
| Increase in cooking oil and support material prices | External (market) | Pressure on profit margin when selling prices are not adjusted | Simple financial recording |
| Limited production capacity | Internal | Difficulty in meeting large orders and seasonal demand | Assistance from universities or government |
| Business regeneration | Internal | Possible interruption of the business when the next generation is not ready | Assistance from universities or government |

Source: Data Processed

## Strategic Recommendations

Based on the results of the risk analysis and actual business conditions, some strategic recommendations that can be applied to improve the sustainability of Abah Anggit Chips MSMEs include: Each recommendation is linked to the finding from which it is derived.

Taking care of business legality in stages, such as Business Identification Numbers (NIB), PIRT permits, and halal certification, to increase consumer confidence and open up wider market access opportunities. This follows from the legality findings: NIB, PIRT, and halal certification are not yet owned, which limits access to modern retail and markets outside the region. Labeling and packaging should be prepared in line with PIRT and halal requirements.

Implementing a simple financial recording system that separates business finance and personal finance so that business actors have a clearer picture of financial conditions and business profits. This follows from the financial analysis: no system separates business and personal finance, and the business is exposed to input cost increases.

Utilizing social media as a product storefront and a means of communication with consumers, not solely as a transaction medium, so that its management can be adjusted to time constraints. This follows from the digital marketing findings: Instagram use is limited by management time, and marketplace sales are limited by shipping costs.

Seeking assistance for MSMEs from universities or the government as a step to increase managerial, production, and business marketing capacity in a sustainable manner. This follows from the findings on limited production capacity, simple management without a division of tasks, and the risk of business regeneration.

**Marketing Strategy and Local Consumer Behavior**

The characteristics of local consumers have a significant influence on the marketing pattern of Abah Anggit Chips MSMEs. Consumers in rural areas tend to prioritize trust, personal experience, and social closeness in determining product choices (Sigué & Biboum, 2020; Soke & Wiid, 2016). Therefore, word-of-mouth-based marketing strategies appear relevant to this business according to the informant, although this study did not compare their effectiveness with other channels.

Recommendations from existing customers to new customers play a big role in expanding the marketing network of Abah Anggit Chips. Trust in consistent product quality and closely intertwined social relationships between business actors and consumers form strong social capital (Asamoah et al., 2020; Tomay & Hegedűs, 2023). This social capital is able to replace formal promotional functions that generally require greater costs and resources.

Thus, in the informant's account, word of mouth functions not only as a means of promotion, but also as a mechanism for forming customer loyalty. This loyalty is an important factor in maintaining demand stability and business sustainability in the long term.

Marketing textbooks treat word of mouth and personal communication as an established marketing channel (Kotler & Keller, 2016), and research on rural consumers shows that word of mouth can support brand credibility and, through it, brand loyalty (Banerjee & Sreejesh, 2024). This is consistent with the informant's view that recommendations support loyalty, although loyalty itself was not measured in this study.

**Digital Marketing Evaluation**

Abah Anggit Chips MSMEs have tried to take advantage of digital marketing through the Shopee marketplace and Instagram social media with @kripikabahanggit2024 accounts. However, marketing through the marketplace has not provided optimal results. The volume-based shipping cost calculation system causes distribution costs to be high, so that business profit margins decrease. This condition makes digital marketing through the marketplace not yet the main strategy.

[Insert a verbatim excerpt from the interview transcript on shipping costs and content creation, with the informant code and interview date.]

Meanwhile, the use of Instagram as a means of promotion is also still limited. Limited time and resources in business management cause content creation activities and interaction with consumers to not be carried out consistently. This condition reflects the general problem of village MSMEs, where the potential of digital marketing has not been fully utilized due to limited management capacity.

Nevertheless, digital marketing still has the potential to be developed gradually if adjusted to the conditions and capabilities of business actors. A realistic and simple

approach is expected to help Abah Anggit Chips MSMEs utilize digital technology without disrupting the stability of business operations.

The constraints reported by the owner, namely volume based shipping costs on the marketplace and limited time for content creation and consumer interaction, resemble the operational and resource problems reported by Indonesian MSMEs preparing for digital transformation (Anatan & Nur, 2023), the doubts about benefits and the difficulty of tracking performance reported by SMEs that consider social media marketing (Nazir et al., 2025), and the weak delivery and logistics performance of Indonesian MSMEs (Kilay et al., 2022). The present case adds that, for a food product sold by weight, shipping cost can make the marketplace unattractive even when the platform is available.

**Critical Analysis and Linkages with MSME Theory**

Theoretically, digital marketing is seen as able to increase the market reach and distribution efficiency of MSMEs (Chatterjee et al., 2021). However, the findings of the study show that the effectiveness of digital marketing is greatly influenced by the readiness of human resources, cost structure, and product characteristics. In the context of Abah Anggit Chips MSMEs, word-of-mouth-based marketing appears, in the informant's account, to fit the business better than the digital channels it has tried, although this study did not measure and compare the efficiency of the channels.

This finding is in line with social capital theory which states that social relationships, beliefs, and common norms can be important resources in economic activities (Asamoah et al., 2020). The word of mouth applied by Keripik Abah Anggit can be seen as a form of utilization of social capital in maintaining the sustainability of village businesses.

Social capital is commonly understood to include structural ties, trust, and shared norms. In this case, the structural tie is the long standing relationship between the business and village customers, trust rests on consistent product quality across generations, and shared norms are reflected in the family values that guide the business. This pattern is consistent with studies showing that social networks and trust support the resilience of SMEs and the retention of customers (Asamoah et al., 2020; Sigué & Biboum, 2020; Tomay & Hegedűs, 2023), and that small businesses prefer person to person marketing to technology driven tools (Soke & Wiid, 2016). It also qualifies the finding that internal social capital, rather than external ties, has a direct effect on organizational resilience (Ozanne et al., 2022): at Abah Anggit Chips the family and the village community are closely intertwined, and this study cannot separate their individual effects.

Table 5 compares the main findings with previous studies, so that agreement and difference can be seen finding by finding.

**Table 5. Comparison of the findings with previous studies**

| Finding in this study | Previous study | Relationship |
|---|---|---|
| Temporary sourcing outside the village when village supply falls | Kusumasari and Retnandari (2021): Indonesian MSMEs adjusted raw material mixes and production methods to stay open | Consistent; here the change is modest and keeps the product character |
| Word of mouth as the main marketing channel | Soke and Wiid (2016): small businesses in Soweto rely more on person to person methods than on technology driven tools | Consistent |
| Trust based relationships with customers | Sigué and Biboum (2020): trusted personal and professional networks help win and keep customers | Consistent; trust here rests on product quality and village closeness |
| Social capital supports sustainability | Ozanne et al. (2022) and Asamoah et al. (2020): social capital and networks support SME resilience | Partly consistent; those studies are surveys, while this study is a qualitative case that does not test the effect |
| Limited use of digital media | Nazir et al. (2025) and Anatan and Nur (2023): doubts about benefits, difficulty tracking performance, and operational problems | Consistent; the constraints reported here are shipping cost and management time |
| Missing NIB, PIRT, and halal certification | Fathoni et al. (2025) and Mamduh et al. (2024): cost, complex procedures, and low awareness | Consistent |
| Family labor and simple management | Martín-Hidalgo et al. (2024): family involvement has lights and shadows for small firms | Consistent; advantages in trust and flexibility, limits in capacity |
| Risk of business regeneration | Nwuke and Adeola (2023): successor preparation and trust are conditions for a successful transition | Consistent, but the cited cases are medium sized family firms |
| Cooking oil price risk | Suwarso (2023): a cooking oil price rise reduced the income and profit of small street food vendors | Consistent |

Source: Data Processed

## Implications for the Sustainability of Village MSMEs

The results of the study show that the sustainability of village MSMEs is not solely determined by the level of adoption of digital technology, but also by the ability of business actors to adapt to local social, economic, and cultural conditions. Although digital technology offers opportunities for market expansion, the effectiveness of its use is highly dependent on the readiness of human resources, cost structure, and characteristics of the products produced. In the context of village MSMEs, these limitations often make digital marketing not able to provide optimal benefits in a sustainable manner.

On the other hand, conventional marketing strategies based on social relations still play an important role in maintaining the existence of village MSMEs. The relationship established between business actors and consumers, which is based on trust and social closeness, is the main capital in building customer loyalty. In rural areas with strong social ties, word-of-mouth recommendations were reported by the informant to help expand the marketing network without large promotional costs.

These findings suggest that the sustainability of village MSMEs is more contextual, where business strategies need to be adjusted to the characteristics of the local environment. Thus, the approach to developing village MSMEs cannot be standardized, but must consider the strength of social capital, traditional values, and the adaptability of business actors in dealing with the dynamics of the changing business environment.

**How the Findings Answer the Research Objective**

The objective of this study was to describe the production and marketing strategies through which Abah Anggit Chips maintains its business sustainability. Table 6 shows how each main finding answers this objective and which recommendation follows from it, and Figure 1 summarizes the resulting picture.

**Table 6. Synthesis of findings, their contribution to the research objective, and the derived recommendations**

| Main finding | Contribution to the objective | Derived recommendation |
|---|---|---|
| Village raw materials, with temporary outside sourcing in the dry season | Production strategy that keeps output continuous while preserving product character | Existing practice to be maintained |
| Family based labor and simple management | Operating pattern with fast decisions and low cash labor cost | Assistance from universities or government to raise managerial and production capacity |
| No NIB, PIRT, or halal certification | Condition that limits market expansion | Obtain legality in stages, including labeling and packaging that meet PIRT and halal requirements |
| Exposure to cooking oil prices and no separate financial records | Condition that limits control of the margin | Simple financial recording that separates business and personal finance |
| Word of mouth based on trust and social closeness | Marketing strategy that sustains demand without costly promotion | Existing practice to be maintained |
| Limited use of Instagram and the marketplace | Marketing constraint caused by management time and shipping costs | Use social media as a product storefront and communication channel, not only as a transaction channel |

Source: Data Processed

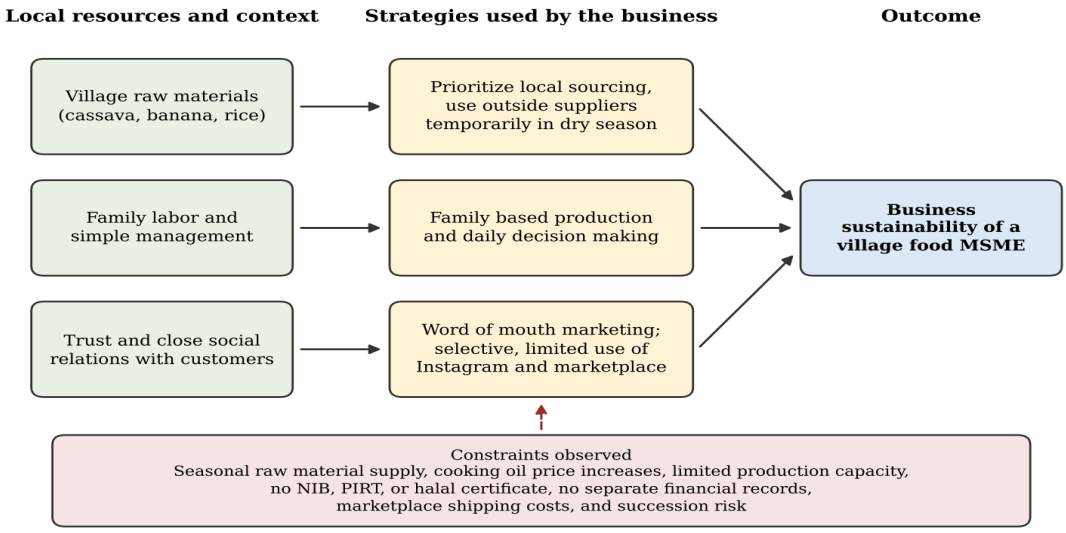



**Figure 1.** Strategies and constraints of Abah Anggit Chips in maintaining business sustainability (authors' synthesis of the findings)

## CONCLUSION

This study aimed to describe the production and marketing strategies through which Abah Anggit Chips maintains its business sustainability. Based on a single case with one main informant, four strategies emerged. First, the business prioritizes village raw materials and sources temporarily outside the village when seasonal supply falls, which keeps production running while preserving the character of the product. Second, it relies on family labor and simple, quick decision making, although this limits capacity and leaves tasks and finances undivided. Third, its marketing rests mainly on word of mouth embedded in trust and social closeness, which the owner uses in place of costly formal promotion. Fourth, digital media are used selectively and remain limited by volume based shipping costs and management time. These strategies operate under constraints: seasonal supply, cooking oil prices, the absence of NIB, PIRT, and halal certification, the absence of separate financial records, and succession risk. Because this study did not compare word of mouth with digital marketing, no claim is made about their relative effectiveness or efficiency. The main limitation is the reliance on one main informant and one business, which restricts generalization to other rural MSMEs. Future research should compare several rural food MSMEs, include employees, suppliers, and customers as informants, and use mixed methods to test how social networks and simple digital tools together contribute to sustainability.

## ACKNOWLEDGEMENT

The authors would like to express their deepest gratitude to Mrs. Ira Tri Pusanti, owner and manager of the Abah Anggit Chips business in Paniis Village, Kuningan, for her willingness to serve as the main informant, for generously sharing her time, experiences, and insights during the in-depth interview, and for allowing the authors

to observe the production and marketing activities of the business. The authors also thank her family members who are involved in the business for their openness and cooperation during the observation sessions. Appreciation is further extended to Politeknik Siber Cerdika Internasional for its academic support and guidance throughout this research. Finally, the authors are grateful to all parties who contributed, directly or indirectly, to the completion of this study and article.

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