

# Creative Innovation Strategy in Food Product Development in MSMEs Based on Creativepreneurship

Azkya Aulya Alawiyah\*, Sallie Ismena, Fauziah Nur Habibah,  
Muhammad Lukman Noorhakim, Senny Luckyardi

Management, Universitas Komputer Indonesia, Bandung, Indonesia

\*Corresponding E-mail: [azkyaaulyaalawiyah@gmail.com](mailto:azkyaaulyaalawiyah@gmail.com)

**Abstract.** This research investigates the tactic of innovative creativity in food product development carried out by Micro, Small, and Medium Enterprises (MSMEs) based on creative entrepreneurship. In the fast-paced market of today, MSMEs are experiencing challenges not only in maintaining good quality of their products, but also in offering creativity and value-added novelty that fits the preferably new consumer. This research is descriptive qualitative, collecting data using in-depth interviewing, participatory-observation, and documentation from different food-related MSMEs utilising creative entrepreneurship. The analysis has taken place thematically, with a focus on product innovation strategy; creativity in business; and principles of creative entrepreneurship. The study notes that the use of unique local materials, appealing and functional pack design, and digital technology for marketing and distribution were the primary creative strategies. Furthermore, local cultural values and the connection to the stories behind products seem to be important to defining brands. There is no doubt that they improve competitiveness and boost consumer engagement while creating long-term sustainable growth. All in all, this approach not only establishes greater competitiveness, but also establishes greater consumer relationships and sustains growth in the long run. The impact of this research lies in its proposed conceptual framework, which provides practical guidance for MSME operators to integrate innovation and creativity in food product development, while also serving as a theoretical reference for future academic studies.

**Keywords:** Creative Innovation, MSMEs, Food, Creative Entrepreneurship,

## 1. Introduction

MSMEs in the food sector must be able to develop food product innovations that not only follow trends but also provide added value for consumers in the era of digitalization and the growing creative economy. CHEE-BHOT emphasizes on the necessity for creative methodologies to develop food products that are not only easy to use, but different with respect

to taste, with the objective of increasing the range of product offerings as well as developing social media marketing methods to attract a younger age group that is spending substantial time online. This review will cover the product development process, the experiences of practitioners in the field, as well as the creative methodologies they use. Small and medium-sized enterprises, or SMEs, such as CHEE-BHOT, place a high priority on product quality as well as being responsive to the market demand for ease, efficiency, and price. Continuous creative innovation is an essential and distinctive value proposition for CHEE-BHOT as a product. While the value proposition is realized in other ways, our focus will be on taste, packaging design, and overall presentation at CHEE-BHOT. CHEE-BHOT has also embraced a commitment to engaging digital marketing practices that reflect the changing consumer behavior around the idea of innovation. Building on the work of (Luwiha et al. 2025) in which their findings demonstrated that the use of innovative and customized digital media can affect the ability of small-and medium-sized enterprises in the instant food business to develop their market position and enhance their customer relationships, aligns with CHEE-BHOT's ideals of creativity and innovation. Importantly, the literature indicates that innovation in the development of instant food products is not always based solely on the technical and numerical possibilities of food development, but may be equally or more dependent on comprehending, than creatively and innovatively representing consumer needs of the product and in response to product changes in a specific food market. The literature also supports the very important role of creative innovation strategies in food product development, particularly in CHEE-BHOT creative entrepreneurship, with micro, small and medium enterprises. As Junaidi et al. (2025) stated, instead of continuous improvement, continuous innovation is an important concept. The essence of continuous innovation includes creative destruction and continuous product improvements through skill development and capacity building to achieve competitive advantage. Rumanti et al. (2022) found that process innovation is conducive to MSME performance especially in the context of external issues, such as in a pandemic. Furthermore, Kharub et al. (2022) indicated that a competitive strategy, such as cost leadership and differentiation strategy, is important in achieving sustainability in markets. Additionally, Urbinati et al. (2021) demonstrated the significant importance of open innovation through collaboration with stakeholders such as business partners and an understanding new product in the face of current digital developments and market trends. Additionally, Safa'atillah et al. (2024) showed that the development of a locally based creative economy supports MSMEs in maintaining a cultural identity, while also serving as a distinguishing factor for products in a fluid market. However, to date, these studies have not explicitly explored how an MSME can synthetically integrate local wisdom, product innovation, and digital marketing strategies in a study of creativepreneurship. As a result, the current study addresses a gap in the literature by using CHEE-BHOT as a case study to show that creative innovation strategies can be broadly applied to boost MSME competitiveness in the digital age.

The study specifically centres on revealing CHEE-BHOT's creative innovation strategy utilized by food and beverage SMEs that engage on creative (or alternative) entrepreneurship (the SME sector has the key to a local innovation agenda as an unheralded innovation economy). Some of the study demonstrates CHEE-BHOT's strategic direction to create products to appeal to youth bored of traditional cuisines, fashionable and functional fun and modern culinary consumption. This analysis focuses specifically on the strategically targeted product development system, that is, flavour conceptualization, brand design and packaging design approaches, wherein CHEE-BHOT is incurring a competitive advantage from an industrial perspective. The study also critically emphasizes and explores social media platforms and information technologies, through marketing statements and using principles of creative entrepreneurship Evidence from the study showed that CHEE-BHOT integrates local

knowledge and perspective into the innovation of products so that those products are commercially viable, culturally valuable, and enhance community and customer engagement. A descriptive qualitative research approach was used through interview, participatory observation and document analysis, thematically analyzed on the basis of product innovation, the principles of entrepreneurial creativity and creative entrepreneurship. The findings of this study are expected to provide valuable insights and recommendations for other small and medium enterprises (SMEs) to better utilize creative innovation strategies aimed at assisting their competitiveness and sustainability in the digital era.

## **2. Literature Review**

### **2.1 Product Innovation Based on Creativepreneurship**

The competitiveness of micro, small, and medium-sized enterprises (SMEs) is primarily due to product innovation, especially in the rapidly-expanding instant food sector. Taneo et al. (2020) propose that creative destruction as a process of constant improvement of products to create new knowledge and value, should complement continuous product innovation for SMEs to stay responsive to changing market conditions. Instant bakwan noodles and ready-to-eat instant cuanki, along with a wide variety of brownies bulkhead, are examples where the Chee-BHOT brand responds to young people's consumers' need for new products - that have a taste and easy to make.

This viewpoint agrees with the principles of creative entrepreneurship. It presents not just a mechanism for technological innovation, but the process of creative innovation includes the development of means for building regional cultural identities. Rizal and Akmalia (2022) argue that creative economies based on local knowledge enable micro, small and medium-sized enterprises (SMEs) to produce value-added products that reflect regional characteristics so that such products can develop uniqueness and appeal in a typically homogeneous market.

### **2.2 Packaging Design as Product Differentiation**

The purpose of packaging goes beyond mere protection of the product; it is also a channel of brand communication. Abed (2020) observes that well-thoughtful packaging strategy has an impact on how consumers perceive quality and makes purchase decisions, especially today when the web has made a visual world possible. CHEE-BHOT used bright colors and a basic logo to catch the attention of young users on social media. The efficacy of packaging supports the significance of visual aesthetics in a brand's identity and through commitment and relationships as a point of differentiation for their brand against competitors.

### **2.3 Digital Marketing Strategy and Social Media**

The movement toward establishing a market presence by Micro, Small, and medium enterprises (MSMEs) can be driven by the desired skills for using digital marketing techniques. This is as stated by Urban (2021) with regards to the efforts of social media techniques, understanding how the algorithms operate is important, in addition to having the content structure appropriately and being able to create meaningful participation with the target audience. CHEE-BHOT has used Instagram and TikTok for marketing purposes, however, human resources have limited the organization to have a coherent content strategy.

Furthermore, Wibowo et al. (2024) emphasized that strategic open innovation strategies that foster a collaborative environment between all stakeholders, both external (partners and manufacturers) and internal (customers), in developing products that align with market demand have an important function. Thus, a noteworthy channel is social media, which



provides the opportunity to create emotional attachment with customers and ultimately develop loyalty to MSME products.

#### **2.4 Business Networks and Product Distribution**

The operational effectiveness of micro, small and medium enterprises (SMEs) in product distribution is often dependent upon a strong business network. Baird and Parayitam (2019) explore this definition further by discussing the importance of social networks and trust with other business individuals which are not physical business assets that have influence over market access for an SME. An example of one of these distribution systems is CHEE-BHOT which continues to utilize a more traditional distribution system, taking full advantage of their business networks to access larger supermarkets i.e., Carrefour, Transmart. Therefore, even as separate online marketing efforts become more important in marketing, traditional distribution is also a critical factor, especially in conjunction to a positive business network and a positive reputation/market place for the product.

#### **2.5 Competitive Strategy and Adaptation of MSMEs**

Micro, Small, and Medium Enterprises (MSMEs) ought to develop competitive strategies that are adaptable to emergent situations, such as pandemics or changing market demands, in order to deal with external shocks. Pusung et al. (2023) contend the sustainability of MSMEs can be managed using both differentiation strategies and cost leadership strategies. CHEE-BHOT serves as an exemplary case that utilizes creative strategies for flavor and packaging, while using an economical method of manufacturing facilitating competitive advantage in the long-run.

In addition, innovations stemming from local customary knowledge, alongside the use of digital technology, can provide a strategic path for long-term MSME business strategies. Rahardja et al. (2025) argue calculus-based creative entrepreneurship enables a more rational and quantifiable process of thinking for developing innovation strategies. This will enable MSMEs such as CHEE-BHOT to explore sustainable business development practices that are competitive in the digital economy space.

### **3. Method**

The method used in this research is qualitative descriptive method to gain a deeper explanation of the creative innovation strategy implemented by CHEE-BHOT as a micro, small and medium enterprise (MSME) that focuses on creative entrepreneurship in the instant food sector. The research collected primary data from interviews with directly with business owners, observing production and sales activities, and documentation in the form of photographs of the products and site production. In addition to primary data, secondary data was collected through the literature review of journals and documents about product innovation in MSMEs, creative promotional methods, and product innovation based on local knowledge.

The project also includes the active involvement of enterprises as valued partners in research, to obtain a fuller picture of the innovation process, brand strategies and the use of technology in marketing. Respondents from throughout the study were also participated in a participatory research design that has the intent to blur the boundaries between research and respondents so that enriched and contextualized data could be gathered.

With regards to data analysis, the study adopted a SWOT analysis framework to assess CHEE-BHOT's strengths and weaknesses and at the same time explore the opportunities and threats that CHEE-BHOT faces when implementing food innovation strategies. The purpose of this analysis is to map CHEE-BHOT's market position and disclose factors both internally and externally influencing the ability to develop an innovative food

business strategy, so that strategies may be planned and implemented in a manner that assists sustainability.

#### **4. Results and Discussion**

The research results of CHEE-BHOT MSME, which develops creativity-based instant food products, are outlined in this results and discussion section. Data was acquired through direct observations and in-depth interviews with representatives from management and any CEOs to identify the strategies on business positioning in relation to product innovation, packaging design, distribution, and digital marketing practices. The discussion will also rely on findings from a review of recent international journals, which provided a stronger theoretical and contextual lens. Kotler and Keller (2016) observed too that a thorough marketing analysis can investigate the value creation process associated with product innovation, effective distribution, and communication to help build relationships with customers and other stakeholders. A thematic analysis was used to help organize and present the research findings aligned along four themes: product innovation, digital strategy, distribution network, and challenges and opportunities for MSMEs to create sustainable businesses in the digital environment.

##### **4.1 Product Innovation and Packaging Design**

CHEE-BHOT is a micro, small, and medium enterprise (MSME) that emphasizes creativity by creating practical, modern instant food products. Not only are the products practical, but they are also modern and innovate aspects by optimizing food ingredients and flavors that are in line with the modern taste market. The two innovative product developments, cuanki and bakwan noodles, are prepared in a practical way that involves consumers not even having to pre-cook the noodles to enjoy, hence making it easier for consumers to enjoy at anytime. The CHEE-BHOT brand has also innovated in taste as well and has created a trend or savory taste of modern market likes such as Spicy Ramen, beef cheese balls, and chicken curry.

In addition to their savory product line, CHEE-BHOT has created some sweet products, such as layered brownies with novel flavors, including Red Velvet, Matcha, Taro, and Blueberry. In addition, the brownie has assorted toppings that provide several interesting experiences, including Chacha, cheese, Oreo, almonds, and chocolate chips. CHEE-BHOT adds value and differentiation with its innovative product development and other existing practical innovations in an expanding competitive space for instant food products.

CHEE-BHOT has a design that resonates with the digital generation. The minimalist logo allows the product to be easily remembered, while the bright colors draw attention. This kind of design effectively protects the product and creates a brand image. According to Abed (2020), "Packaging Design has a fundamental impact in assessing the quality and image of the product" and will appeal to MSMEs who have to compete aesthetically.

##### **4.2 Digital Marketing Strategy**

CHEE-BHOT has employed the use of Instagram, TikTok, and online marketplaces as a method of digital marketing, but these digital endeavors cannot be described as systematic or comprehensive. Digital marketing is something that happens sporadically, without consistent content and/or strategy. Input is limited and no robust analysis of performance or analysis of content has occurred to support this input.

Important is that no dedicated team exists to professionally sustain the digital marketing efforts. Therefore, features such as paid advertisements, hashtag research, and audience engagement were not engaged. The internal team expressed the main problem to

grow brand awareness in the digital space to be insufficient human resources, principally digital skills and creativity of staff in the content domain. Wibowo et al. (2024) contend human resources, a lack of technical capacity, and a social media-marketing strategy is why MSMs are unable to optimize a digital marketing plan.

Some steps have been made, for example a series of live events on TikTok, but the primary goal of those events seems to focus on short-term sales and not long-term brand awareness. The events reveal the generational gap between users who see social media as a strategic objective, not just a channel to achieve sales objectives. Urban (2021) claim that a successful social media strategy can only come about if one understands how algorithms work, manages content effectively, and engages with community members to engage consumers and build brand loyalty.

#### **4.3 Distribution and Business Network**

Despite limited efforts in digital marketing, CHEE-BHOT has been successful in developing its offline distribution channels, which are now stocked in the network of retail chains such as Carrefour, Transmart, and Borma together with OH! SOME, and also in souvenir shops in Bandung and Jakarta, Bogor, and Tangerang. All this seems possible for the company, as they do have a background in food distribution where many relationships were already established and in place.

CHEE-BHOT still overweight communicates their product to supermarkets through conventional channels, which starts with the distribution of trial products to distributors affiliated with retail buyers. Once the product has been evaluated and the due diligence investigation has been completed, it usually takes one week to one month to decide to accept the trial product. The team members we interviewed indicated that their entry and success engaging with the modern retail network is mainly due to the company's reputation and relationships. This is consistent with Baird & Parayitam, 2019, as they contend that business networks and social relationships are useful intangibles for an SME seeking access to a larger market.

#### **4.4 Challenges and Opportunities**

CHEE-BHOT certainly encounters some difficult issues in the digital space. The biggest hurdle to growing CHEE-BHOT's digital capabilities is a shortage of staff with expertise in contemporary marketing, staff with technological skill sets, or space to pay for advertising. Competitors' aggressive presence in social media means that companies are forced to react with nimble strategies that work in that arena.

Nonetheless, plenty of opportunities still exist, particularly among younger consumers that seek instant food products, regardless of whether this is an outcome of taste or quality of packaging. CHEE-BHOT's already differentiates itself based on the quality, taste, and presentation of its products. The Chee-BHOT brand will be better equipped to differentiate itself even further at local and national levels using the capability provided by digital marketing and increased use of Information Technology.

In the view of Rahardja et al. (2025), today's small- and medium-size-enterprises (SMEs) economy will often require pairing a sustainable solution from digital strategies with local innovation perspective from creative entrepreneurship. Therefore, CHEE-BHOT views the development of a technology-based digital marketing system as part of its long-term strategy for competitive and sustainable business growth, not merely a technical necessity.

### **5. Conclusion**

This study concludes that CHEE-BHOT, a creativity-based MSME, has effectively developed innovative instant food products by integrating local taste, practicality in preparation, and attractive, functional packaging design. The research demonstrates that CHEE-BHOT is responding to consumer habits with an effort to reach a younger consumer base that is inherently attracted to convenience and visual stimulation. By offering unique flavors and an attractive package, CHEE-BHOT is strongly different from competitors that require greater differentiation and cultural identification.

CHEE-BHOT's unique flavors and packaging have jumped quality in product development and offline product distribution but has limitations in its approach to digital marketing. The brand does not have a deliberate content strategy, a dedicated team, nor an ability to employ digital marketing tools to develop the brand. Current approaches to online marketing are ad hoc in nature focused on direct marketing, limiting opportunities to develop consumer relationships. Thus, CHEE-BHOT lacks the preparation to engage with an increasing number of digitally literate consumers and understand and anticipate meaningful interactions on social media.

In order to remain competitive and sustainable for commercial advantage, CHEE-BHOT must establish the development of digital marketing competencies within the company. This entails creating a dedicated internal team to manage the process of the business's digital campaigns such as planning, execution and evaluation. Tailored training and development methods and external resources e.g. support from trainees, advice, etc. represent acceptable means of closing the existing gap. In addition, it is necessary to monitor consumer trends and behavior in relation to visual consumption and the use of the different platforms so that the company maintains knowledge of and engagement with the target audience.

Furthermore, CHEE-BHOT must maintain the profitable offline distribution strategy and broaden the digital strategy. By meaningfully combining the two distribution channels, businesses can operationalize hybrid marketing systems that more easily meet shifting consumer expectations. By combining the strengths of creative product development, strong physical retail presence, and adaptive digital communication strategies, CHEE-BHOT can enhance brand loyalty, increase market reach, and achieve long-term competitive advantage on both local and national levels.



## References

- Abed, S. S. (2020). Social commerce adoption using TOE framework: An empirical investigation of Saudi Arabian SMEs. *International Journal of Information Management*, 53, 102118.
- Baird, A. M., & Parayitam, S. (2019). Employers' ratings of importance of skills and competencies college graduates need to get hired: Evidence from the New England region of USA. *Education+ Training*, 61(5), 622-634..
- Junaidi, J., Parela, E., & Ariswandy, D. (2025). The Improvement of Managerial Capacity of MSMEs in Facing Global Competition. *Devotion: Journal Corner of Community Service*, 3(3), 15-25.
- Kharub, M., Mor, R. S., & Rana, S. (2022). Mediating role of manufacturing strategy in the competitive strategy and firm performance: evidence from SMEs. *Benchmarking: An International Journal*, 29(10), 3275-3301.
- Luwiha, L., Astuti, W., & Ardianto, H. (2025). Leveraging Digital Product And Promotion Innovation To Enhance Competitiveness In Small And Medium Enterprises (SMES). *Knowledge: Jurnal Inovasi Hasil Penelitian dan Pengembangan*, 5(1), 20-27.
- Pusung, C. S., Narsa, N. P. D. R. H., & Wardhaningrum, O. A. (2023). Innovation, competitive strategy and MSME performance: A survey study on culinary SMEs in Indonesia during the COVID-19 pandemic. *Business: Theory and Practice*, 24(1), 160-172..
- Rahardja, U., Natalia, E. A., Aini, Q., Goh, T. S., & Lim, C. P. (2025). Calculus driven creativepreneurship as an innovative economic solution for msmes: Kewirausahaan kreatif berbasis kalkulus sebagai solusi ekonomi inovatif untuk umkm. *ADI Pengabdian Kepada Masyarakat*, 5(2), 104-116.
- Rizal, S. S., & Akmalia, D. (2022). Development of a Creative Economy Based on Local Wisdom in Empowering MSME economic improvement to Face the Modern Market from a Sharia Economic Perspective. *Enrichment: Journal of Management*, 12(4), 2777-2785.
- Rumanti, A. A., Rizana, A. F., Septiningrum, L., Reynaldo, R., & Isnaini, M. M. R. (2022). Innovation capability and open innovation for small and medium enterprises (SMEs) performance: Response in dealing with the COVID-19 pandemic. *Sustainability*, 14(10), 5874.
- Sabrina, J. A., Fiyara, N. S., Andarini, S., & Kusumasari, I. R. (2025). Strategi Perencanaan dan Pengembangan Produk RISOLEGO: Risoles Bolognese sebagai Peluang Usaha UMKM. *Jurnal Pemberdayaan Ekonomi dan Masyarakat*, 2(3), 11-11.
- Safa'atillah, N., Sulaeman, M. M., & Cahyono, P. (2024). Product Development Strategy Based on Local Wisdom to Strengthen the Identity of SMEs during Ramadan. *Journal of Contemporary Administration and Management (ADMAN)*, 2(1), 394-401.
- Taneo, S. Y. M., Hadiwidjojo, D., Sunaryo, S., & Sudjatno, S. (2022). Creative destruction and knowledge creation as the mediation between innovation speed and competitiveness of food small and medium-sized enterprises in Malang, Indonesia. *Competitiveness Review: An International Business Journal*, 30(2), 195-218.
- Urban, B., & Maphathe, T. L. (2021). Social media marketing and customer engagement: a focus on small and medium enterprises (SMEs) in South Africa. *Journal of Contemporary Management*, 18(1), 48-69.
- Urbinati, A., Landoni, P., Cococcioni, F., & De Giudici, L. (2021). Stakeholder management in open innovation projects: a multiple case study analysis. *European Journal of innovation management*, 24(5), 1595-1624.
- Wibowo, V., Gautama, I., Kuncoro, E. A., & Bandur, A. (2024). Improving sustainability in the small-medium culinary industry: Analyzing the role of open innovation and competitive advantage. *Journal of System and Management Sciences*, 14(2), 172-187.
- Urbinati, A., Landoni, P., Cococcioni, F., & De Giudici, L. (2021). Stakeholder management in open innovation projects: a multiple case study analysis. *European Journal of innovation management*, 24(5), 1595-1624.