

STRATEGIC EFFORTS OF MICRO GARMENT BUSINESS “SIMUH KONVEKSI” THROUGH LOCAL PRODUCTION AND DIGITAL ADAPTATION IN APPAREL INDUSTRY

Ihsan Kurniawan^{1*}, Nurul Anwar²

¹ Graduate Program in Economics, Universitas Jenderal Soedirman, Indonesia

² Lecturer, Graduate Program in Economics, Universitas Jenderal Soedirman, Indonesia

*Email corresponding author: ihsan.kurniawan@mhs.unsoed.ac.id

Abstract

This study explores the strategic response of *Simuh Konveksi*, a micro-scale garment business located in Banyumas, Central Java, in facing increasing competition and digital transformation within Indonesia's apparel industry. The objective is to examine how traditional micro-convection enterprises sustain their operations, innovate, and maintain social relevance amidst a changing economic landscape. Using a qualitative case study method, data were collected through in-depth interviews with the business owner and local workers, supported by direct field observations. The findings reveal that *Simuh Konveksi* adopts a localization strategy by sourcing materials and labor locally, enabling cost efficiency, product authenticity, and rapid response to market demand. It also applies personalized production processes and informal digital marketing through Instagram, TikTok, and Google Business. These platforms allow the business to reach younger demographics and strengthen customer engagement at low cost. Furthermore, the enterprise empowers local labor, maintains flexible pricing strategies, and builds long-term customer relationships, all of which contribute to its sustainability. The study highlights how micro-enterprises can remain competitive by integrating local strengths with accessible digital tools. This research contributes to the literature on resilient entrepreneurship, especially within the context of Indonesian MSMEs, and offers practical implications for policy formulation and digital empowerment programs targeting micro-scale businesses.

Keywords: micro garment business, local production, digital marketing, personalized products, sustainable entrepreneurship

INTRODUCTION

Indonesia's garment industry has undergone substantial transformation in recent years, driven by globalization, technological advancements, and evolving consumer preferences. Micro, Small, and Medium Enterprises (MSMEs), particularly those operating at the micro level, are confronted with unprecedented challenges in maintaining their competitiveness against large-scale manufacturers and global brands. The rise of fast fashion and digital commerce platforms has presented both opportunities and threats for traditional garment businesses operating at the grassroots level.

(Bahtiar et al., 2025) emphasize that digital transformation plays a vital role in enhancing productivity and ensuring the operational sustainability of micro, small, and medium enterprises (MSMEs). Despite its potential, the adoption of digital technologies faces critical obstacles, including low digital literacy among MSME actors, limited access to technological infrastructure, and insufficient human resource readiness to fully utilize digital platforms. In this context, micro-scale garment businesses must develop adaptive strategies that integrate local strengths with digital innovation to sustain their operations effectively. However, research shows that the adoption of digital tools among micro and small enterprises in Indonesia remains uneven due to infrastructure limitations and low digital literacy (Mochon & Saez, 2017).

Established in 2019 in Banyumas, Central Java, *Simuh Konveksi* exemplifies a micro-scale garment business that has successfully navigated industry challenges through strategic adaptation and innovation. Despite operating with limited capital, a small workforce, and traditional production methods, the enterprise has managed to sustain its operations and maintain customer loyalty in an increasingly competitive market environment.

This research pursues three main objectives. First, to examine the specific strategies implemented by *Simuh Konveksi* to maintain its competitive advantage. Second, to assess the role of local production and digital adaptation in ensuring business sustainability. Third, to identify the key factors that contribute to the resilience of micro-scale garment enterprises in the digital era. Theoretically, this study contributes to the broader understanding of local entrepreneurial resilience. Practically, it offers valuable insights for the development of targeted policies and empowerment programs aimed at strengthening micro-enterprises within the garment industry.

The novelty of this research lies in its focus on the intersection between traditional production practices and modern digital marketing strategies within the context of Indonesian micro-enterprises. Unlike previous studies that predominantly examine large-scale garment manufacturers, this study specifically investigates the adaptive strategies employed by micro-scale businesses, which often operate in informal markets yet play a critical role in fostering local economic development.

LITERATURE REVIEW

Micro-Enterprise Resilience and Adaptive Strategies

The concept of business resilience has been widely discussed in entrepreneurial literature, particularly in relation to small and micro enterprises. According to (Battisti & Deakins, 2017), business resilience refers to the capacity of small firms to endure, adapt to, and recover from external disruptions while maintaining their core functions and business identity. This concept is highly applicable to micro-scale garment businesses, which are continuously exposed to market volatility, technological advancements, and increasing competitive pressures.

(Kottika et al., 2020) highlight the remarkable adaptive capacity of micro-enterprises, demonstrated through efficient resource utilization, strong networking, and strategic market positioning. Their study on MSMEs that successfully navigated the Greek economic crisis reveals that operational flexibility and close customer relationships are critical factors in sustaining business continuity. In this regard, the garment industry—with its labor-intensive nature and relatively low entry barriers—serves as an ideal context to examine such adaptive strategies in practice.

Local Production and Competitive Advantage

The use of local production as a competitive strategy has been widely explored in the literature on sustainable business practices. (Quinton et al., 2018) emphasize that combining local strengths with digital orientation can generate long-term competitive advantages for MSMEs. Their findings indicate that small enterprises integrating local potential with digital capabilities tend to outperform competitors that rely solely on one strategic dimension.

For micro-scale garment businesses, adopting a local production approach is often a focused strategy that emphasizes customization, product quality, and community engagement. Authenticity and local identity are key elements in building brand trust and differentiation for small businesses (Sanchez-Famoso et al., 2020). To promote their products, business owners may choose from a variety of communication strategies such as advertising, personal selling, sales promotion, public relations, direct selling, and participation in trade fairs (Haryono et al., 2018). Local production is considered effective in reducing operational costs, maintaining quality control, and enabling faster response to market demand. Moreover, this approach aligns with the growing consumer preference—particularly among younger demographics—for authentic, locally made, and sustainability-oriented products.

Digital Transformation in Micro-Enterprises

The digital transformation of micro-enterprises has accelerated significantly since the COVID-19 pandemic. According to (Handayani et al., 2024), technology adoption in small businesses requires a distinct approach from that of larger firms, emphasizing ease of use, low cost, and integration with existing business practices. Social media platforms such as Instagram, TikTok, and WhatsApp have become primary tools for marketing micro-enterprises due to their accessibility, affordability, and effectiveness in reaching local customer segments. Customer engagement is reflected in actions such as liking, commenting on, or sharing posts (Kim, 2023). Consequently, digital marketing strategies have proven to generate higher levels of customer engagement for micro garment businesses compared to traditional marketing methods.

Research Questions

Based on the theoretical framework and empirical context presented earlier, this study seeks to address the following research questions:

- RQ1:** To what extent does the local production strategy contribute to the competitive advantage of the micro-scale garment business *Simuh Konveksi*?
- RQ2:** How does digital adaptation through social media platforms influence customer engagement and business sustainability?
- RQ3:** What factors enable the synergy between local production and digital marketing in strengthening business resilience?

RESEARCH METHODS

This study employs a qualitative case study approach to gain an in-depth understanding of *Simuh Konveksi*'s business strategies and adaptive mechanisms. The method was chosen for its effectiveness in exploring complex real-life phenomena, especially when addressing "how" and "why" questions in organizational behavior and strategic response.

The research design integrates multiple data collection techniques, including semi-structured interviews, participant observation, and document analysis to ensure comprehensive triangulation. Primary data were collected from key stakeholders such as the business owner, employees, regular customers, and local business partners. Secondary data were obtained from business documents, social media analytics, and industry reports.

The sample was selected using purposive sampling to ensure representation across different stakeholder groups—comprising the owner (1), employees (3), and loyal customers (10). Data collection took place over a two-month period from May to June 2025, involving in-person interviews, participatory field observation, and digital ethnography of the business's social media presence. Each interview lasted approximately 45–60 minutes and was conducted in Bahasa Indonesia to ensure participant comfort and authenticity.

The research was conducted in Banyumas, Central Java, where *Simuh Konveksi* operates, with supplementary observations at local markets and customer sites. Ethical standards were maintained by obtaining informed consent and safeguarding the confidentiality of sensitive business information.

Data were analyzed using a thematic approach as outlined by Creswell et al. (Creswell et al., 2016), involving coding to identify patterns, themes, and relationships. Validity and reliability were ensured through member checking, peer debriefing, and triangulation across multiple data sources.

RESULTS AND DISCUSSION

Business Profile and Operating Model

Simuh Konveksi is a micro-scale garment enterprise specializing in the production of custom clothing, school uniforms, and casual wear. Founded in 2019 by Manarul Hidayat, a local entrepreneur, the business evolved from a home-based operation into a small workshop employing

three local workers. With an initial capital of IDR 25 million, the enterprise currently maintains an annual revenue ranging from IDR 70 to 100 million.

The business model is characterized by flexible production capacity, handling orders from individual custom pieces to bulk orders of up to 500 units. The production process emphasizes skilled craftsmanship and quality assurance, with each garment undergoing multiple quality checks prior to delivery. Simuh Konveksi applies a lean inventory system by purchasing raw materials based on confirmed orders, minimizing waste and supporting stable cash flow management.

Implementation of Local Production Strategy (Addressing RQ1)

The analysis reveals that Simuh Konveksi has successfully implemented a comprehensive local production strategy comprising several critical elements. First, the business prioritizes sourcing materials from nearby regions, partnering with local fabric suppliers. This approach reduces transportation costs, enhances quality control, and supports the broader local textile ecosystem.

Second, the enterprise exclusively hires local labor, creating employment opportunities within the surrounding community. This strategy not only minimizes labor expenses but also fosters strong community ties and ensures employee loyalty. Informal training is provided to new workers, contributing to skill development and local empowerment.

Third, Simuh Konveksi has cultivated strong relationships with local customers through personalized service and competitive pricing. The business offers custom fitting, design consultations, and flexible payment terms, creating a value proposition that larger competitors struggle to replicate. Interviews with customers indicate a high level of satisfaction with both product quality and service responsiveness.

Digital Adaptation and Marketing Innovation (Addressing RQ2)

Simuh Konveksi's digital transformation illustrates a gradual yet strategic shift from traditional word-of-mouth marketing to a multi-platform digital presence. The business actively utilizes Instagram (@simuh_konveksi), TikTok (@simuh_konveksi), and Google Business, with each platform serving distinct marketing objectives and audience segments.

Instagram functions as the primary visual showcase, featuring product displays, customer reviews, and behind-the-scenes content. Approximately 60% of new customer inquiries originate from Instagram, which records an average engagement rate of 8–12% per post. The use of Instagram Stories and Reels highlights the production process, fostering transparency and customer trust.

TikTok has become an effective tool to engage younger audiences, particularly students and young professionals. The business shares short-form videos on fashion trends, styling tips, and customer transformations. Several viral posts have significantly boosted brand awareness and customer acquisition.

Google Business acts as a digital storefront for local search optimization, allowing customers to access location details, contact information, and user reviews. It accounts for around 30% of walk-in customers and maintains a 5-star rating based on over 100 customer reviews.

Synergy Between Local Production and Digital Marketing (Addressing RQ3)

The findings indicate that the integration of local production and digital marketing strategies generates a synergistic effect that enhances Simuh Konveksi's competitive positioning. This synergy is driven by three key factors: authentic brand storytelling, customer responsiveness, and value differentiation.

Authenticity is conveyed through digital content that highlights the local production process, workers' craftsmanship, and community involvement. This narrative strengthens brand credibility and fosters emotional connections with customers who value locally made and artisanal products. At the same time, the flexible nature of local operations enables the business to respond swiftly to custom orders, improving customer satisfaction.

Value differentiation is achieved by combining the quality of locally produced goods with personalized service and accessible digital outreach. This strategic blend positions Simuh Konveksi as a compelling alternative to mass-produced items lacking a personal touch, as well as to high-end products that are often financially inaccessible to local consumers.

Competitive Positioning and Market Differentiation

Simuh Konveksi has established a distinctive market position through a combination of product customization, superior customer service, and community engagement. The business differentiates itself from mass-market competitors by offering personalized design services, allowing customers to create garments tailored to their individual style preferences and functional needs.

In terms of pricing, Simuh Konveksi employs a value-based approach that balances affordability and quality. Its products are positioned as premium yet accessible—priced above mass-produced alternatives but below high-end boutique offerings. Financial analysis indicates that the business maintains a profit margin of approximately 15–25% while remaining competitive in the local market.

Customer retention strategies include loyalty programs, referral incentives, and seasonal promotions, all of which contribute to sustained repeat purchases. Repeat customers are estimated to account for roughly 50% of total business revenue.

Challenges and Adaptive Mechanisms

Despite its success, Simuh Konveksi faces ongoing challenges that demand continuous adaptation and innovation. One of the primary obstacles is the volatility of raw material prices, particularly fabric costs, which directly affect pricing strategies and profit margins. In response, the business has implemented a supplier diversification strategy and bulk purchasing agreements to mitigate cost-related risks.

The rise of online retailers and fast fashion brands has intensified price competition and customer expectations for rapid delivery. Simuh Konveksi addresses this by emphasizing product quality, personalized services, and a locally rooted presence that online competitors find difficult to replicate.

Labor availability and skill development also remain persistent challenges, particularly in onboarding new workers while maintaining consistent product standards. To address this, the business has introduced an internal mentoring program and reinforced quality control systems as part of its adaptive mechanisms.

Sustainability and Future Growth Prospects

The sustainability of Simuh Konveksi depends on its ability to integrate traditional craftsmanship with modern business practices. The business has demonstrated resilience during economic downturns, including the COVID-19 pandemic, by swiftly transitioning to online sales channels and implementing health and safety protocols.

Future growth prospects include expanding digital marketing capabilities, developing a dedicated e-commerce platform, and exploring collaborative opportunities with other local businesses for cross-promotion and resource sharing. The business owner has also expressed interest in launching a formal online store and diversifying the product line to include accessories and home textile items.

CONCLUSION

This study demonstrates that *Simuh Konveksi* has effectively implemented an integrated strategy that combines the strengths of local production with digital adaptation to remain competitive in a rapidly evolving garment industry. Its business model emphasizes personalized services, high-quality craftsmanship, and strong community engagement as key differentiators from larger competitors.

The implications of this research extend beyond the individual case, offering valuable insights for microenterprise development and policy formulation. Key success factors include the strategic use of local resources, investment in digital marketing capabilities, effective customer relationship management, and adaptive pricing strategies. Collectively, these elements contribute to the resilience and sustainability of micro businesses in competitive markets.

A primary limitation of this study lies in its focus on a single case, which may restrict the generalizability of findings to other micro garment enterprises operating in different contexts. Future research should explore multiple cases across diverse regions and business models to develop a broader understanding of microenterprise adaptation strategies.

Suggested directions for future studies include longitudinal analyses to trace the evolution of microenterprise strategies over time, comparative assessments of both successful and unsuccessful adaptation efforts, and evaluations of policy interventions that can support microenterprise development. Moreover, quantitative investigations examining the relationship between digital adoption and business performance would offer valuable empirical support to complement the qualitative findings of this research.

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