

Blue Ocean Strategy Analysis with Creation, Raising, Reduction, and Elimination Approach in Getas MSMEs in Kurau Village, Regency of Central Bangka

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Abstract

Getas MSMEs in Kurau Village, Central Bangka Regency is one of the typical culinary products of Bangka Belitung that has great potential, but faces fierce competition and limited innovation. This study aims to analyze development strategies through the Blue Ocean Strategy approach with the Four Actions Framework (Creation, Raising, Reduction, and Elimination) framework to increase the competitiveness of MSMEs. The method used was descriptive qualitative with data collection through semi-structured interviews, then analyzed using SWOT and PESTLE. The results of the study show that MSMEs have strength in the form of distinctive product identities, quality raw materials, and government support. The main weakness is the lack of product innovation, financial recording is still manual, and sales distribution is still limited. From the external side, opportunities in the form of local and out-of-region market demand are quite high, while threats include fluctuations in raw material prices, similar competition, and environmental factors that affect raw material inventories. The SWOT analysis places MSMEs in quadrant I (aggressive strategy), which emphasizes the need for growth and expansion strategies. The implementation of the Blue Ocean Strategy produces recommendations: creating product and packaging innovations, improving quality, branding, and digital marketing (raising), reducing inefficient costs (reduction), and eliminating dependence on traditional distribution (elimination). The PESTLE analysis confirms the importance of policy support, legal protection, management digitalization, and environmental sustainability. With this strategy, Getas Kurau Village MSMEs are expected to be able to expand the market, build differentiation, and strengthen their position as a regional superior product. This study contributes by integrating the Blue Ocean Strategy with SWOT and PESTLE analyses to generate practical and innovation-based development strategies for traditional culinary MSMEs.

Keywords: Blue Ocean Strategy; MSMEs; SWOT; PESTLE; Getas

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are one of the important pillars in the Indonesian economy. Micro, Small, and Medium Enterprises (MSMEs) are business activities that are able to expand employment and provide economic services widely to the community, and can play a role in the process of equitable distribution and increasing people's income, encouraging economic growth, and playing a role in realizing national stability (Rahayu 2016). One of the MSMEs that is developing in the Bangka Belitung Islands Province

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is the Getas MSME in Kurau Village, Central Bangka Regency. Bangka Belitung has a huge potential for marine fisheries so that the people's protein consumption habits come from marine commodities. Likewise, the cracker products that are developed are also made from seafood raw materials (Pratama et al., 2023a). Fish, shrimp, and squid are popular ingredients for making crackers on Bangka Island (Pratama et al., 2023b). Febriani and Saleha (2021) said that Getas is a snack to entertain guests for the people of Bangka. Basarah et al. (2022) stated that Getas is one of the fish cracker products made with the main raw materials in the form of fish, sago, salt and several other spices (Mahendra et al., 2022). Therefore, this processed fish typical of Bangka is not only part of the regional culinary identity, but also has great potential to be developed as a regional superior product with high competitiveness in the local and national markets.

However, in the face of increasingly fierce competition, MSMEs in Getas Kurau Village need to innovate business strategies so as not to be trapped in the "red ocean competition" which is full of price competition and similar products. Therefore, the concept of Blue Ocean Strategy is one of the relevant approaches because it focuses on the creation of new market space and provides different added value for consumers. By applying the Four Actions Framework (Creation, Raising, Reduction, and Elimination), MSMEs can evaluate and design innovative strategies to create competitive advantages. Through the creation approach, Getas Kurau Village MSMEs can present new innovations in taste, packaging, and product diversification that are able to attract a wider market. In the aspect of raising, MSMEs can improve the quality standards of raw materials, production cleanliness, and service to consumers to increase the selling value of products. On the other hand, reduction can be done by reducing inefficient operational costs or time-consuming production processes, while elimination can be focused on eliminating reliance on traditional distribution chains that slow down marketing. The implementation of the Blue Ocean strategy with the CRE (Creation, Raising, Elimination, and Reduction) approach is expected to be able to increase the competitiveness of Getas MSMEs in Kurau Village so that they not only survive, but also develop into highly competitive business actors. Thus, research on "Blue Ocean Strategy Analysis with Creation, Raising, Reduction and Elimination Approaches in Getas MSMEs in Kurau Village, Central Bangka Regency, Bangka Belitung Islands Province" is important to be carried out as an effort to find the right and sustainable development strategy. Previous studies have generally applied SWOT or PESTLE separately; therefore, this study fills the gap by integrating these tools within the Blue Ocean Strategy framework to produce more comprehensive strategic recommendations.

2. Literature Review

2.1. Blue Ocean Strategy

According to W. Chan Kim and Renee Mauborgne (2005), blue ocean strategy is a strategy of organizations and companies in creating a market space without competitors with simultaneous innovation that can increase value for customers and minimize costs. This concept was born as an alternative to the traditional business strategy called the Red Ocean Strategy, which is a competitive market where companies compete fiercely within existing market space, often with price wars, limited innovation, and declining profit margins. On the contrary, Blue Ocean Strategy emphasizes the creation of new market space that has not been touched or has few competitors (blue ocean). The main focus is value innovation, which creates significant added value for customers while lowering costs for the company. In this way, competition is no longer relevant as the company operates in a new market space. The goal of the Blue Ocean Strategy is not to compete in existing industries, but to create new market spaces (Ratnasari, et al. 2016). According to Kim and Maubogane (2014), the Blue Ocean framework indicators have four steps, which are as follows:

- a. Eliminate: what factors should be eliminated from factors that have been taken for granted by the industry.
- b. Reduce: what factors should be reduced to below industry standards.
- c. Create: what factors the industry has never offered so it should be created.
- d. Improve: what factors should be improved to above industry standards.

2.2. SWOT

Micro, Small, and Medium Enterprises (MSMEs) are one of the superior seeds to create a tenacious and resilient entrepreneur. The existence of the MSME sector plays an important role in supporting Indonesia's economic growth because there are entrepreneurs who absorb a lot of labor (Raharja, Rivani, & Arifianti, 2018). According to Gurel and Tat (2017), SWOT is an important instrument because it helps organizations understand their strategic position and provides a basis for formulating more appropriate policies. By mapping internal and external factors, business actors can balance their strengths with the opportunities available while anticipating weaknesses and threats. Furthermore, Helms and Nixon (2010) emphasized that the advantage of SWOT lies in its flexibility, so that it can be applied in various organizational contexts, including MSMEs, large companies, and public institutions. This analysis not only serves as a diagnostic tool, but also as a guide in developing aggressive, defensive, and diversified strategies according to the conditions faced. Thus, SWOT can help MSMEs in optimizing internal resources and responding to external environmental dynamics in order to be able to increase competitiveness in a sustainable manner.

2.3. PESTLE

PESTLE analysis is a strategic framework used to identify external factors that affect the sustainability of an organization or business. PESTLE includes political, economic, social, technological, legal, and environmental aspects that play an important role in determining opportunities and threats to companies. According to Johnson, Scholes, and Whittington (2017), PESTLE analysis helps organizations understand complex macro conditions so that they can formulate adaptive and competitive strategies. In the context of MSMEs, this approach is very relevant because it is able to reveal external dynamics that have a direct impact on business sustainability. The use of PESTLE allows business actors to systematically evaluate external factors in order to anticipate risks while taking advantage of opportunities. Political and regulatory aspects can provide support and obstacles to business development, while economic and social factors are closely related to purchasing power and consumer trends. Technology plays an important role in driving efficiency and innovation, while legal and environmental factors emphasize the importance of compliance and sustainability. As stated by Yüksel (2012), PESTLE not only helps organizations recognize threats, but also becomes an important instrument for designing sustainable long-term strategies.

2.4. MSMEs

According to the Constitution No. 20 of 2008, MSMEs are defined as productive businesses owned by individuals or business entities that meet the criteria for micro, small and medium enterprises. The Ministry of Cooperatives and SMEs (2015) stated that MSMEs are the largest economic actors in Indonesia with a very significant proportion of the total business unit and labor absorption. According to Suyadi (2018), MSMEs are the most widely carried out economic activities by the Indonesian people as a basis for earning income.

3. Method

In this study, a qualitative approach is used which is a research method that focuses on a deep understanding of human phenomena, meanings, and experiences, not on numbers or statistical data. This type of research is a descriptive analysis research with data sources through semi-structured interviews on the intended MSMEs. The population in this study is all Getas MSMEs in Kurau Village, Central Bangka Regency using the purposive sampling method. The criteria used to make the Getas MSMEs in Kurau Village a research sample are (1) MSMEs already have a physical gallery or store, (2) Have been running for more than two years, (3) Sell homemade products, (4) Domiciled in Kurau Village. Therefore, from these criteria, there are 16 Getas MSMEs in Kurau Village that were used as informants in this study. In this study, the data analysis tools used were using SWOT (Strengths, Weaknesses, Opportunities, Threats) and PESTLE (Political, Economic, Social, Technological, Legal, Environmental). With the research flow, it starts with the pre-field stage (designing research, taking care of research permits, and identifying informants), then continues with the stage of collecting data in the field through observation and interviews. After that, it was processed and ended with the preparation of reports and interpretation of research results. Data validity was ensured through triangulation of interview findings and field observations.

4. Results and Discussion

4.1 SWOT Analysis

A. From the data of Getas MSMEs in Kurau Village that have been collected, the results of IFAS and EFAS research are as follows. The results of the analysis on external factors (External Strategic Factors Analysis) include:

No.	Opportunities	Weight	Rating	Sum
1.	Becoming a culinary icon of Central Bangka	0,09	4	0,36
2	The existence of machine production and training support from the local government	0,09	4	0,36
3.	Best-selling product of squid variant – squid	0,08	3	0,24
4.	There is demand and marketing from outside the region	0,09	4	0,36
5.	There are no similar products in other regions	0,08	3	0,24
6.	Becoming an object of research	0,08	2	0,16
	Sum	0,51		1,72

No.	Threats	Weight	Rating	Sum
1.	Competition between like-minded business actors in Kurau Village	0,09	1	0,09
2	The existence of substitute products (crackers and kemplang)	0,07	3	0,21
3.	Unstable raw material prices	0,08	2	0,16
4.	Scarcity of raw materials from suppliers	0,09	2	0,18
5.	When the price of raw materials rises, the price remains the same	0,08	2	0,16
6.	Extreme weather changes	0,08	3	0,24
	Sum	0,49		1.04

B. In this study, the results of the internal factor analysis (Internal Factor Analysis Summary) are as follows.

No.	Strength	Weight	Rating	Sum
1.	One of the typical souvenirs of Bangka Belitung	0,09	4	0,36
2	Quality raw materials	0,08	3	0,24
3.	Product texture crispy (not hard)	0,08	3	0,24
4.	Every MSME has a reseller	0,09	4	0,36
5.	The location of MSMEs is right next to the main road of Kurau Village, Central Bangka	0,09	4	0,36
6.	The majority of the surrounding community works as fishermen	0,08	3	0,24
	Sum	0,51		1,8

No.	Weakness	Weight	Rating	Sum
1.	Power outage, machine cannot operate	0,08	2	0,16
2	Absence of product innovation	0,09	1	0,09
3.	Product returns on Tiktok and Shopee marketplaces	0,08	2	0,16
4.	Most MSMEs still record their financial records manually using books	0,07	3	0,21
5.	Doesn't have a big distributor yet	0,09	1	0,09
6.	Some MSMEs have not dared to market their products to retail companies in Bangka Belitung	0,08	2	0,16
	Sum	0,49		0,87

Based on the results of the EFAS and IFAS analysis above, the results were obtained that the total strength score obtained was 1.8, which shows that the internal position of MSMEs is quite strong. Meanwhile, the total weakness score obtained is 0.87. Then the total chance score is 1.72 and the total threat score is 1.04. Therefore, the results of the calculation show that the internal value of $X = 0.93$ (more dominant strength) and the external value of $Y = 0.68$ (more dominant of chances). Thus, MSMEs are in Quadrant I (Aggressive Strategy). This position indicates that Getas MSMEs in Kurau Village are in a strong condition and have great opportunities so that the right strategy is a growth and expansion strategy.

Based on Figure 1 of the Quadrant Diagram I, the aggressive strategy (SO) is in the form of innovating product variants and expanding the market outside the region and even the international realm. Quarter II of the diversification strategy (ST) is in the form of strengthening product branding and collaborating with tourism managers in Bangka Belitung. Quadrant III of the turnaround strategy (WO) is in the form of a financial system that switches to using applications and adding resellers. Quadrant IV of the defensive strategy (WT) is in the form of making product patents and making written agreements regarding product returns.

4.2 Blue Ocean Strategy Analysis

A. Initial & Strategy Canvas

Based on the graph above, the strategy canvas chart shows a significant difference between the current condition of Getas MSMEs in Kurau Village and the proposed Blue Ocean strategy. Currently, Getas Kurau Village MSMEs are still weak in terms of product innovation, digital marketing, branding, and raw material availability, so their position tends to be stagnant. Meanwhile, Blue Ocean's strategy encourages improvement through new product innovation, expansion of distribution and resellers, strengthening branding, and optimizing digital marketing. Government support and the implementation of application-based financial management are also important supports. Implementation process Blue Ocean Strategy must

be done such as creating new variants or products, improving branding products and implement digital marketing. Getas MSMEs in Kurau Village are expected to differentiate themselves from competitors, expand the market, and increase competitiveness in a sustainable manner so that they can further develop and be known by the public.

B. Four-Step Framework

From the interviews that have been conducted, a four-step framework has been prepared based on the BOC analysis that has been carried out, namely:

1. Factors that must be eliminated and reduced are
 - a) Dependence on price competition with substitute products
 - b) Inefficient manual financial management patterns
 - c) Focus on cost efficiency alone without differentiation
 - d) Reliance on one local distribution line only
2. Factors to improve
 - a) Quality branding (product identity, logo, local story)
 - b) Digital marketing (creative promotions, endorsements, social media)
 - c) Government support (certification, market access, training)
 - d) Quality of raw materials with certification standards
 - e) New flavour variants & modern packaging
 - f) National distribution network through modern retail & e-commerce
 - g) Digital financial system (real-time recording & reporting application)
 - h) Local-based product differentiation (cultural uniqueness, regional stories)

Next is to create a four-step framework scheme made to increase the ability to scale business and the growth of MSMEs in Kurau Village as follows.

Eliminate	Reduce
Price Competition	Cost Efficiency
Manual Management	Limited Local Distribution
Raising	Create
Product Branding	Flavor & Packaging Variants
Digital Marketing	National Distribution
Government Support	Location Differentiation

4.3 PESTLE Analysis

Based on the data processing that has been carried out on Getas MSMEs in Kurau Village, Bangka Regency, a PESTLE analysis was obtained as a follow-up which shows that Getas MSMEs in Kurau Village have a great opportunity to develop with government support, local and foreign market potential, and identity as a typical culinary of Central Bangka. However, challenges remain in the form of fluctuations in the price and availability of raw materials, business competition, as well as limited distribution and digitalization of management. By strengthening legal protection, increasing the use of technology, and maintaining environmental sustainability, these MSMEs can strengthen competitiveness while expanding market reach in a sustainable manner. The social aspect in Getas MSMEs in Kurau Village is in the form of competition with similar businesses in one area where the location is close to each other, in making decisions need more consideration so as not to bring each other's businesses down. Getas MSMEs in Kurau Village have obtained a business license and halal certificate from BPOM RI so that consumers do not need to worry about the halalness of the product.

PESTLE	Explanation
Political	<ul style="list-style-type: none"> Local government support is in the form of production machinery assistance and training. Government policies encourage local products to become culinary icons. Patent protection of logos and trademarks is required.
Economic	<ul style="list-style-type: none"> Products have great opportunities in local and out-of-state markets. The threat of unstable raw material prices and supply shortages. There are no major distributors to expand the network yet. Product returns in the marketplace lower profits.
Social	<ul style="list-style-type: none"> Products are the typical culinary identity of Central Bangka. The majority of the community are fishermen (supply of raw materials). There is demand from outside the region. Competition between similar business actors is quite high.
Technological	<ul style="list-style-type: none"> Support modern production machinery from the government. Financial recording is still manual, it needs to be digitized. Financial applications can improve professionalism. Digital promotion (endorsements, marketplaces, social media).
Legal	<ul style="list-style-type: none"> Patent protection of logos and trademarks. Need a cooperation contract with a distributor/reseller. Pay attention to food safety regulations and distribution permits.
Environmental	<ul style="list-style-type: none"> Extreme weather affects the supply of raw materials. Climate change can lead to a shortage of raw materials. It is necessary to maintain the sustainability of marine ecosystems. Eco-friendly packaging as an added value.

5. Conclusion

Getas MSMEs in Kurau Village have great potential as a typical culinary product of Bangka Belitung with the strength of local identity, quality raw materials, and government support. The challenges faced by MSMEs are in the form of competition, limited innovation, and fluctuations in raw materials. The results of the analysis show that Getas MSMEs in Kurau Village are on an aggressive strategy so they need to grow and expand. Getas Kurau Village MSMEs are expected to expand the market and build differentiation through the inauguration of product patents, adding resellers and participating in product export training for international marketing. The application of the Blue Ocean Strategy through the creation, raising, reduction, and elimination able to encourage product innovation, strengthening branding, utilizing digital marketing, and cost and distribution efficiency. MSMEs can increase sales through digital marketing, create innovative packaging and expand market distribution. PESTLE's analysis of the importance of government support and policies, digitalization of management, legal protection, and environmental sustainability. Getas MSMEs in Kurau Village have received support from the local government through the provision of production equipment and training. With this strategy, MSMEs are expected to be able to expand the market, increase competitiveness, and strengthen their position as sustainable regional superior products. There is a need for a long-term sustainability strategy, both in terms of environmental management such as creating environmentally friendly packaging and sustainable

business models. These findings provide practical guidance for MSME owners and policymakers in designing sustainable and innovation-oriented development strategies.

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