#### ALEXANDRIA 6 (1) (2025)



## Journal of Economics, Business, & Entrepreneurship



https://jurnalpasca.unram.ac.id/index.php/alexandria

# Sociopreneurship Development Strategy for Local Wisdom-Based Business Actors at the Kampung Bathok Industrial Center in Blitar

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#### Article Info

Received: December 19, 2024 Revised: March 6, 2025 Accepted: April 22, 2025 Published: April 30, 2025

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DOI: 10.29303/alexandria.v6i1.801

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Abstract: This study aims to examine the development strategy of local wisdom-based sociopreneurship in the home industry center of Kampung Bathok Blitar. This village has potential products made from coconut shells that reflect cultural values and environmental sustainability. The integration of local values such as the use of natural materials by utilizing coconut shell waste, the spirit of mutual cooperation, and the preservation of cultural arts characterize the practice of sociopreneurship in the area. However, challenges such as limited market access, lack of production technology, and low participation of the younger generation hinder business development. Through a qualitative approach, this research identifies development strategies that include product diversification, digital marketing, strategic partnerships and human resource training. These strategies aim to improve business competitiveness, expand market access, and involve the younger generation in preserving cultural values. The results show that a local wisdom-based approach can be a sustainable sociopreneurship model, providing positive economic, social, and environmental impacts.

Keywords: Business Actors, Industrial Centers, Local Wisdom, Sociopreneurship.

## Introduction

Community empowerment is one way to support and fulfill community welfare (Harjanti et al., 2023; Mulyana et al., 2022; Suminartini & Susilawati, 2020). Empowerment programs are usually very conflict-prone they cannot apply because to all Sociopreneurship is a solution option in the community to solve social problems through an entrepreneurial approach. There are many ways to realize welfare in society, one of which is sociopreneurship. Now, sociopreneurship has become a lifestyle and way of life for many people to be part of the process of realizing community welfare (Adrian et al., 2023; Tanjung et al., 2021; Wolok et al., 2023).

Social entrepreneurship is more concerned with work that pays attention to the welfare of the community as an effort to alleviate poverty and reduce unemployment (Annisa, 2022; Cabral et al., 2024; Gupta

et al., 2020). Sociopreneur is the creation of social value resulting from collaboration with other people and organizations from the community involved in the creation of social innovation in economic activities. Through sociopreneur, people can solve social problems using entrepreneurial principles (Lestari et al., 2024).

In the sociopreneur perspective, building a sociopreneur spirit is needed in the development of sociopreneurship, namely 1) understanding the condition of the community which is the object of community economic empowerment activities; 2) elaborating the potential that can be explored in the surrounding community; 3) developing programs together with the community and stakeholders; and 4) developing future goals to be able to optimize existing potential and networks and develop organized programs to make it happen (Anggadwita et al., 2020; Asrol et al., 2023; Budiman et al., 2022).

Based on initial observations, several main problems were identified in the home industry center in Bathok Village, Blitar. Among them are limited mastery of technology, limited Human Resources (HR), and lack of information related to market expansion. To overcome these problems, business development with a sociopreneurship approach is needed. Kampung Bathok's superior products, such as bags, beads, and handicrafts made from coconut shells, still face obstacles to compete widely in the global market.

Therefore, it is necessary to formulate a new business model that adopts a sociopreneurship approach. Through sociopreneurship, business actors in Kampung Bathok, Blitar, are expected to make a significant contribution in overcoming the problems of social inequality, social sensitivity, and economic problems in the community, including internal problems faced by business actors. Handicraft products made from coconut shells have added value as local wisdom products from Blitar City. Therefore, the development of a sociopreneurship business model is expected to have a positive impact not only on the economic aspect, but also on preserving and increasing the value of local products that reflect local wisdom.

The Kampung Bathok Blitar home industry center has superior potential, among others: a) is one of the region's leading commodities; b) has good potential because it has a group that is incorporated in the home industry center; c) can maximize all existing local resources; and d) is directly connected to the real sector and souvenir shops to become one of the souvenirs in the form of handicraft products. From some of the constraints and potential described above, it is necessary develop sociopreneur-based entrepreneurship towards competitive advantages so that business actors Village are able to increase competitiveness of their businesses that can prosper the community, especially the community around the industrial center.

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With the development of sociopreneur using development strategies and business models to facilitate and expand access from entrepreneurs to productive resources, increase the income of the community through economic activities in the micro-scale informal sector, especially poor families to obtain a fixed income.

Sociopreneurship is a social movement solution in the economic field that can provide business opportunities, especially in rural areas (Fakhri & Fitriana, 2024; Rohibni et al., 2023; Saputra & Mujahiddin, 2021). In addition to improving the micro economy, sociopreneurs are able to improve the national economy. Here, the reason why sociopreneurship can be a solution, because in addition to being sustainable in the economy, sociopreneurship is able to provide effective and tactical solutions to the economic problems of society.

So this research needs to be carried out to find out the sociopreneurship development strategy of local wisdom-based business actors at the Kampung Bathok Blitar home industry center which can be used as material for consideration and study for business actors, especially local wisdom-based businesses to advance MSMEs in Blitar Raya. The State of the Art of this research is as follows:



**Figure 1.** Development strategy and sociopreneur business model

Based on the formulation of the problem above, the purpose of this study is to examine the sociopreneurship development strategy of local wisdom-based business actors in the Kampung Bathok Industrial Center in Blitar, identify local wisdom values applied in sociopreneurship in Kampung Bathok, and formulate local wisdom-based sociopreneurship development strategies in Kampung Bathok.

#### Method

The method used in this research uses a qualitative approach with in-depth observation and interview methods to business people in the Bathok Blita Village home industry center who can get information about community social issues that want to be resolved through a sociopreneur approach. Data collection in this study is from the results of direct observation in the field, will observe the activities carried out by business actors. Then interviews with informants using semi-structured techniques with interview guide tools. Data analysis during the data collection process is carried out to collect existing data and think about new data to be collected, seek the truth of information that is still vague and direct the ongoing analysis.

Presentation of data in the first stage is to compile narrative text arranged systematically, so that at the end of data collection the researcher is preoccupied with presenting the data that has been collected and analyzed previously. Data analysis after data collection is in principle a continuation of the previous analysis to describe the data systematically and ensure the prositions, hypotheses, concepts or patterns that have been built based on field data. This approach can find answers or solutions to community social issues so that it can find out the Sociopreneurship Development Strategy of Local Wisdom-Based Business Actors at the Kampung Bathok Industrial Center in Blitar.

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Strategy of Local Wisdom-Based Business Actors at the Kampung Bathok Industrial Center in Blitar.

This research was conducted at the home industry center of Kampung Bathok Blitar. The research subjects were the main and supporting informants. The main informants are business actors in Kampung Bathok who apply the concept of sociopreneurship, and supporting informants are local government, academics, local communities, and customers. Data collection techniques in this study are 1) in-depth interviews conducted with business actors, local government, and sociocultural experts; 2) observation by observing the production process, marketing, and social activities carried out in Bathok Village; and 3) documentation by collecting secondary data in the form of government documents, articles, and reports related to Bathok Village.

Data analysis conducted in this study by 1) Data organization, data coded based on main themes such as strategies, challenges, and local wisdom; 2) data reduction, namely selecting relevant data that supports the research focus; and 3) conclusion drawing by compiling the main findings that answer the problem formulation (Bungin, 2014). Data validity can be seen from source triangulation (comparing data from various informants and documents), member checking (confirming findings with informants to ensure accuracy), and audit trail: (systematically documenting the research process).

Taking into account the characteristics of the need for research on the strategy of developing sociopreneurship of local wisdom-based business actors in the Kampung Bathok Blitar home industry center, the following is a picture of the series of activities carried out:

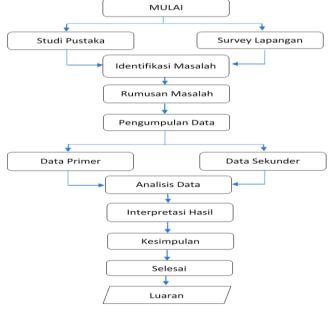


Figure 2. Research flow

#### **Result and Discussion**

Integration of Local Wisdom in Sociopreneurship Practices

Business actors in Kampung Bathok Blitar actively integrate local wisdom values in their sociopreneurship practices, making this a characteristic of businesses in the area. The utilization of natural materials such as coconut shells and other organic materials is the main foundation in the production process, reflecting a commitment to environmental preservation. In addition, community togetherness is an important element that colors business activities in Bathok Village. The spirit of gotong royong is evident in various activities, from the production process to marketing, including training for the younger generation to ensure the sustainability of this business in the future.

Not only that, the preservation of local art and culture is also a major concern. The products produced are not only economically valuable but also carry a strong cultural identity, such as the use of traditional motifs and the application of manufacturing techniques passed down from generation to generation. The integration of these values makes businesses in Kampung Bathok not only focus on financial benefits but also bring significant social and cultural impacts.

## Challenges in Sociopreneurship Development

- Local products from Bathok Village face challenges to penetrate a wider market, both national and international.
- b) The lack of technology in production hampers product efficiency and innovation.
- c) The younger generation tends to be less interested in continuing craft-based businesses because they are not considered to have attractive prospects.

## Sociopreneurship Development Strategy

The sociopreneurship development strategy in Kampung Bathok Blitar focuses on four main steps designed to improve competitiveness and business sustainability. First, business actors diversify their products by creating innovations that match market trends, such as modern accessories and environmentally friendly products, to attract a wider range of consumers. Second, digital marketing is a priority through the utilization of social media and e-commerce platforms, which helps expand market reach to a national and international scale.

Third, businesses are forging strategic partnerships with the government, educational institutions, and environmental communities to support product development, training, and marketing. Fourth, special attention is paid to human resource development by organizing training for the younger generation. This

training not only aims to preserve traditional craft techniques but also instill sociopreneurship values, so that the next generation can continue this business with more innovation and high competitiveness. These strategies are important steps in ensuring the sustainability of local wisdom-based businesses in Bathok Village.

The local wisdom applied in Kampung Bathok is a significant differentiating factor compared to mass products. Values such as cultural and environmental preservation provide special appeal to consumers who value sustainability. This shows that local wisdom-based strategies are not only socially relevant but also have strong economic potential. For example, the use of natural materials such as coconut shells not only supports environmental conservation but also reflects local cultural identity. This integration of social, cultural and economic values strengthens the relevance of sociopreneurship principles in business practices in Bathok Village.

This research identifies some of the main challenges faced by business actors in Bathok Village, including limited market access, low technology adoption, and the lack of involvement of the younger generation. These challenges become obstacles in facing competition in modern markets that demand innovation and efficiency. To address these issues, strategies such as product diversification, marketing digitalization, and training to the younger generation have been implemented. For example, businesses have started utilizing digital platforms to expand their consumer reach while increasing the visibility of their products. In addition, strategic partnerships with the government and local communities have helped increase the capacity of businesses, especially in terms of product innovation and promotion of local culture.

In the global market, the demand for products that are based on local culture and environmentally friendly is increasing. Kampung Bathok has a great opportunity to capitalize on this trend by prioritizing digital marketing strategies. Kampung Bathok's handicraft products, such as home decorations and ecofriendly accessories, have the potential to compete in the international market, given the high consumer interest in products that have authentic stories and values. This approach is not only relevant to modern market needs but also strengthens Kampung Bathok's position as an innovative community-based business (Fahimnia et al., 2024).

The proposed development strategy has significant practical implications for the sustainability of businesses in Kampung Bathok. Product diversification and strategic partnerships can help businesses deal with market dynamics while increasing their competitiveness. In addition, involving the younger

generation in the production process is crucial to maintaining the continuity of cultural heritage. Efforts such as digital-based training and the introduction of modern technology can help the younger generation understand the values of local wisdom while encouraging innovation. This research confirms that the integration of local values with modern approaches, such as digital marketing and product innovation, can be a sustainable business development model.

The results of this study indicate that business actors in the Kampung Bathok Industrial Center in Blitar have successfully integrated local wisdom values in the practice of sociopreneurship. This local wisdom-based approach has proven relevant in responding to the needs markets increasingly modern that environmentally friendly and culture-based products. By utilizing product innovation, digital marketing, and community involvement, Kampung Bathok has the potential to become an example of a community-based business development model that is not only sustainable but also competitive at the global level. This strategy can be adapted by other businesses that want to integrate local values in their business development.

#### Conclusion

The conclusion of this study confirms that the sociopreneurship development strategy in Kampung Bathok Industrial Center in Blitar is based on local wisdom values, such as the use of natural materials, cultural preservation, and the spirit of gotong royong, which not only strengthens business identity but also supports social and environmental sustainability. Although businesses face challenges such as limited market access and low engagement of the younger generation, strategic measures such as product diversification, digital marketing, and cross-sector partnerships have been implemented to address these issues. Therefore, support from the government and the private sector is essential to improve market access, technology, and innovation training, as well as to educate the younger generation on the importance of preserving local culture-based businesses, so that Kampung Bathok can become a model for sustainable business development.

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