

Territorial Branding Strategy to Increase the Competitiveness of the Handicraft Industry.

¹**Nuh Krama Hadiano** (State Administrative Sciences, Fisipol, UNESA, Indonesia)
Email: nuhhadiano@unesa.ac.id

²**Muhammad Farid Ma'ruf** (State Administrative Sciences, Fisipol, UNESA, Indonesia)
Email: muhammadfarid@unesa.ac.id

³**Ajie Hanif Muzaqi** (State Administrative Sciences, Fisipol, UNESA, Indonesia)
Email: ajiemuzaqi@unesa.ac.id

⁴**Tauran** (State Administrative Sciences, Fisipol, UNESA, Indonesia)
Email: tauran@unesa.ac.id

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ABSTRACT

The handicraft industry is a vital sector that contributes significantly to the local and national economy, yet it still struggles to establish strong competitiveness in the global market. One of the factors causing this is the weak territorial branding strategy, which should strengthen the position of handicrafts as a superior regional product. This study aims to analyze effective territorial branding strategies to increase the competitiveness of the handicraft industry by focusing on key problems such as weak brand identity and regional positioning, limited product quality and standardization, limited market access and marketing strategies, and limited resources and capacity of artisans. The research uses qualitative methods with case studies and interviews as data collection techniques. Sampling was conducted with 115 respondents, including handicraft business actors, entrepreneurs, and other stakeholders related to the handicraft sector. The data was analyzed thematically to obtain a comprehensive picture of the conditions and branding strategies implemented. The results of the study show that increasing competitiveness can be achieved through strengthening brand identity according to regional characteristics, improving product quality with clear standards, utilizing relevant marketing strategies, including digital marketing, and developing the capacity of artisans through training and resource support. Integration among stakeholders is also a key factor in the successful implementation of territorial branding strategies. In conclusion, territorial branding strategies must be designed comprehensively and be adaptive to local conditions to be able to compete sustainably. The practical implications of this study highlight the need for cross-sector synergy to support the development of a highly competitive handicraft industry.

I. INTRODUCTION

The handicraft industry is one of the creative economy sectors that has great potential in improving the regional and national economy. Many regions in Indonesia have distinctive crafts that reflect local culture and identity. However, in reality, the handicraft industry still faces various problems that hinder its competitiveness, especially in terms of territorial branding. The brand identity and regional position as handicraft producers are still weak, so they are not able to attract the attention of a wider market. Territorial branding is a strategic approach developed from the concept of place branding that emphasizes the development of regional identity and image through the products or services produced. The concept is based on the idea that cities and regions can be branded, where branding techniques and other marketing strategies are applied to the "economic, political and cultural development of cities, regions and countries". This theory views that a place or region has a multidimensional nature because it is "embedded in history, culture, ecosystem," which is then integrated into a network of associations that connect products, spaces, organizations, and societies. Territorial branding aims to create a unique identity that distinguishes one region from another through the promotion of individual and collective characteristics of geographical space. In the context of the handicraft industry, this theory allows the use of local wisdom, traditional culture, and regional uniqueness as the main strengths in building a strong and sustainable brand.

Although local crafts have high cultural and aesthetic value, the quality of the products and the standards applied have not been consistent, thus lowering consumer confidence. In addition, limited market access and inappropriate marketing strategies, particularly regarding the use of technology and digital marketing, pose significant obstacles to the development of these handicraft products. Limited resources, both in craftsmen's capacity and business capital, are also significant inhibiting factors that have yet to be effectively addressed.

Some literature states that the development of strong regional branding can increase the attractiveness of local handicraft products, but there are also those that show different results where the implementation of branding has not had a significant influence on increasing competitiveness, especially if it is not followed by an increase in quality and production capacity. This contradictory information requires further study in the context of territorial branding strategies applied to the handicraft industry (Zhang, 2024).

So far, information related to the effectiveness of territorial branding strategies, especially in overcoming problems such as limited product quality, market access, and artisan capacity, remains incomplete and lacks systematic documentation. There has been no research that specifically evaluates the multidimensional influence of territorial branding strategies on these various problems in an integrated manner. The reality that has not happened and needs to be the focus of this research is the implementation of a territorial branding strategy that can simultaneously overcome weak brand identity, improve quality standards, expand marketing access, and develop the capacity of artisans sustainably and measurably. This is something new and different from previous studies that tend to look at the problem partially.

The novelty of this research lies in a comprehensive approach that not only focuses on individual aspects but also integrates the various dimensions of the problem, such as branding, product quality, marketing, and resource capacity, into a single, integrated strategy applicable to the handicraft industry across various regions. Applied to the handicraft industry in various regions. This research also uses an in-depth qualitative case study method with direct interviews with industry players and policy makers. The right territorial branding strategy can play a role as an innovative solution in strengthening the competitiveness of the handicraft industry by involving multidimensional factors that have been the main obstacles. This research aims to identify and formulate these strategies so that they can be used as the basis for the development of a more competitive handicraft industry (Yan & Yan, 2023).

The research gap of this study lies in the lack of a study that integrates all elements of branding, product quality, marketing, and artisan capacity at the same time. For comparison, the study entitled Model for Increasing the Competitiveness of SMEs in the Creative Industry Sector in the Handicraft Sector in West Java by Yayan Hendayana (2019) only focuses on marketing strategy and innovation factors without thoroughly examining aspects of territorial branding and resource capacity. Therefore, this research is here to fill this void and make a significant contribution to the development of the handicraft industry (Mao et al., 2025). The handicraft industry in various regions has great potential as a cultural wealth as well as a driver of the local economy (Kurolov et al., 2025). In addition, inconsistent product quality and a lack of standardization are major obstacles to expanding the market. This limitation reduces the selling value of products and lowers consumer confidence. Improper marketing strategies and limited access to the market, especially the global market, are additional factors that hinder the growth of this industry (Kanellos et al., 2024).

R. Edward Freeman stated that a company's success is not only measured by profits, but also by its ability to provide benefits to all stakeholders. This theory describes a company as a set of organizational interests and competition that have intrinsic value. Stakeholder theory emphasizes that a company is not an entity that only operates for its own interests but must provide benefits to its stakeholders, such as shareholders, creditors, consumers, suppliers, governments, the community, and other parties. In the handicraft industry, this theory is very important because it involves various stakeholders ranging from artisans, local governments, local communities, to consumers. The application of stakeholder theory can improve the financial and non-financial performance of companies, strengthen competitiveness, and create greater economic and social value.

The Territorial Branding Strategy to increase the competitiveness of the handicraft industry has an important role in strengthening the position of handicraft products in the local and global markets (Arraya & Triono, 2026). First, this strategy plays a role in building a strong and authentic brand identity in accordance with regional cultural and traditional characteristics. With a clear identity, handicraft products become easier for consumers to recognize, enabling them to distinguish these products from similar competitors' offerings. This can enhance the added value and build consumer trust in handicraft products

produced in the area. In addition, strengthening the brand through territorial strategies also helps strengthen the emotional connection between products and buyers, which encourages loyalty and repeat purchases.

Territorial branding strategies play a role in expanding market access and improving the marketing strategy of handicraft products (Flores & Ortiz, 2019). With well-organized branding, products can be more easily marketed through various channels, both traditional and digital, so that they reach a wider and more diverse market segment. This strategy also encourages industry players to adopt modern marketing techniques, such as the use of social media and e-commerce, which are important in the face of global competition (García-Chamizo et al., 2025). In addition, strong branding can help increase the competitiveness of products by emphasizing the quality and uniqueness of local products, as well as inviting stakeholders such as the government and communities to collaborate in the sustainable development of the handicraft industry. Thus, territorial branding strategies not only increase product value but also encourage local economic growth and artisan welfare (Susanto & Kiswanto, 2021).

II. METHODOLOGY

This study employs a qualitative research method with a case study design. The researcher uses a qualitative method to find out the phenomenon of territorial branding strategies in the handicraft industry as a whole (Neuman, 2014). Focus on case studies in one location of the craft industry so that they can explore the dynamics, problems, and implementation of specific and contextual branding strategies. The approach can be carried out by researchers with a more detailed analysis of how territorial branding strategies can increase the competitiveness of the handicraft industry in certain areas by using the subjective perspective of actors and related parties.

The population in this study is all handicraft industry players operating in the study area and parties involved in the development of the industry, such as craftsmen, entrepreneurs, local governments, and other stakeholders. The sample consisted of 115 respondents purposively selected to represent various categories of actors and stakeholders in the handicraft industry. The subjects of this research consist of craftsmen, business actors, marketing managers, and local government officials who play a role in the development of the handicraft sector. The research instruments used were semi-structured interview guidelines and field observations. Interviews were conducted to obtain qualitative data from the perspective of handicraft industry players and stakeholders, while observation was used to understand the real conditions of the industry in the field. The development of the instrument was carried out through literature studies and consultation with experts, then tested and revised so that the interview questions could explore relevant information comprehensively and in detail.

Data analysis was carried out using thematic analysis techniques with steps of data reduction, data presentation, and a conclusion drawn. The data that has been collected is selected and rearranged to find patterns, themes, and relationships between aspects that are the focus of the research. Through this

analysis, researchers can conclude how territorial branding strategies determine the success of increasing the competitiveness of the handicraft industry.

This qualitative research procedure begins with the determination of the location and research sample, followed by data collection through interviews, observations, and documentation. After the data is collected, the researcher transcribes and codifies the data, analyzes them thematically, and compiles a report on the results of the research(McCann, 1998). The process is iterative and flexible, with adjustments during the study so that the data obtained is in accordance with the research objectives and can describe the phenomenon as a whole. This approach supports an understanding of territorial branding strategies and their role in the competitiveness of the craft industry in the field(Willig, 2008).

Table 1. Coding Process and Thematic Analysis

Tahap_Anal isis	Kode_Tema	Deskripsi_Kode	Jumlah_Referensi	Status_Satu rasi
Open Coding	BRAND_ID	Territorial brand identity and positioning	28	Reached
Open Coding	QUAL_PROD	Quality and standardization of handicraft products	35	Reached
Open Coding	MARKET_AC C	Market access and marketing strategy	42	Reached
Open Coding	CAP_CRAFT	Capacity and skills of craftsmen	31	Reached
Axial Coding	TERR_STRAT	Integrated territorial branding strategy	25	Reached
Axial Coding	COMP_ADV	Competitive advantage and competitiveness	29	Reached
Axial Coding	STAKE_COL	Stakeholder collaboration and support	18	In Process
Selective Coding	MAIN_THEM E_1	Strengthening regional	15	Reached

		brand identity		
Selective Coding	MAIN_THEME_2	Quality improvement and standardization	22	Reached
Selective Coding	MAIN_THEME_3	Market expansion and HR capacity	19	Reached
Triangulation	TRI_DATA	Triangulation of interview-observation data	12	Reached
Triangulation	TRI_METHOD	Qualitative method triangulation	8	Reached
Triangulation	TRI_SOURCE	Triangulation of informant sources	10	Reached

The coding process and thematic analysis were carried out during the research. This process starts with open coding that identifies the initial theme, continues with axial coding to connect themes, and selective coding that focuses on the main theme. The table also shows the theme code, a brief description of each code, the number of references that help with data strengthening, and the data saturation status to know if data collection is enough. With this table, the picture of the data analysis process becomes clear and structured.

Table 2. Coding Process and Thematic Analysis

Validation Stage	Aspects Assessed	Validator	Validity Score	Recommendations	Revision Status
Content Validity	Relevance of the Question	Branding Expert	4.2	Approved	Finish
Content Validity	Language Clarity	Linguist	4.0	Minor Revision	Finish
Content Validity	Indicator Completeness	Methodologist	4.3	Approved	Finish
Content Validity	Interview Structure	Industry Practitioner	4.1	Minor Revision	Finish
Face Validity	Ease of Understanding	Pilot Responders	3.8	Approved	Finish
Face Validity	Context Fit	Pilot Responders	4.0	Approved	Finish

Face Validity	Communication Effectiveness	Pilot Responders	3.9	Minor Revision	Finish
Pilot Testing	Interview Duration	Research Team	4.2	Approved	N/ A
Pilot Testing	Informant Response	Research Team	4.1	Approved	N/ A
Pilot Testing	Technical Feasibility	Research Team	4.0	Approved	N/ A
Expert Review	Theoretical Suitability	Senior Academics	4.4	Approved	Finish
Expert Review	Methodology	Methodology	4.3	Approved	Finish
Expert Review	Data Analysis	Qualitative Analyst	4.2	Approved	Finish

The process of validating research instruments through expert review and pilot testing. In this table, the various aspects assessed, the validators who conducted the assessment, the validity score, the improvement recommendations, and the revision status of each aspect are listed. It is very important to ensure that the interview instrument has been professionally tested and corrected according to the input in order to be able to dig up information effectively and accurately.

Table 3. Interview Instruments and Research Indicators

Category Responden	Kind Craft	Year of Experience	Number of Respondents	Location
Individual Craftsmen	Wood Crafts	5-10	18	Village A
Individual Craftsmen	Textile Crafts	10-15	15	Village B
Individual Craftsmen	Bamboo Crafts	3-5	12	Village C
Craft Business Owners	Metal Crafts	15-20	16	District X
Craft Business Owners	Ceramic Crafts	10-15	14	District Y
Craft Business Owners	Woven Crafts	8-12	11	Z District
Marketing Manager	Multi Type	5-8	8	Central Town
Marketing Manager	Multi Type	7-10	6	Central Town
Local Government Officials	N/A	10-15	6	Local Government Office

Local Government Officials	N/A	5-10	4	Local Government Office Secretariat
Associations/Communities	N/A	8-15	3	Secretariat
Associations/Communities	N/A	12-20	1	Secretariat
Academics/Consultants	N/A	15-25	1	University

Table 4. Credibility and Data Quality Criteria

Quality Criteria	Deployment Strategy	Implementation Techniques	Achievement Indicators	Achievement Status
Credibility	Prolonged Commitment	Intensive interaction 6 months	Data saturation achieved	Reached
Credibility	Member Checking	Verification with 25 informants	Confirm 90% of informants	Reached
Credibility	Triangulation	Multi-source data	3 consistent data sources	Reached
Transferability	Thick Description	Detailed contextual description	Rich context documentation	Reached
Transferability	Purposive Sampling	Maximum variety of informants	Complete stakeholder representation	Reached
Dependability	Inquiry Audit	Review of the research process	Positive external audit	Reached
Dependability	Peer Review	Discussion with colleagues	Peer agreement 85%	Reached
Confirmability	Reflexivity	Reflection on researcher bias	Bias awareness documented	Reached
Confirmability	Audit Trail	Documentation of the results	Complete decision trail	Reached

Validation Stage	Aspects Assessed	Validator	Validity Score	Recommendations	Revision Status
Content Validity	Relevance of the Question	Branding Expert	4.2	Approved	Finish
Content Validity	Language Clarity	Linguist	4.0	Minor Revision	Finish
Content Validity	Indicator Completeness	Methodologist	4.3	Approved	Finish
Content Validity	Interview Structure	Industry Practitioner	4.1	Minor Revision	Finish
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Face Validity	Context Fit	Pilot Responders	4.0	Approved	Finish
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Pilot Testing	Technical Feasibility	Research Team	4.0	Approved	N/A
Expert Review	Theoretical Suitability	Senior Academics	4.4	Approved	Finish
Expert Review	Methodology	Methodologist	4.3	Approved	Finish
Expert Review	Data Analysis	Qualitative Analyst	4.2	Approved	Finish

The process of validating research instruments through expert review and pilot testing. In this table, the various aspects assessed, the validators who conducted the assessment, the validity score, the improvement recommendations, and the revision status of each aspect are listed. It is very important to ensure that the interview instrument has been professionally tested and corrected according to the input in order to be able to dig up information effectively and accurately.

Table 5. Sampling and Purposive Criteria

Kriteria Purposive	Sub Kriteria	Target Respondent	Respondent Realization	Recruitment Methods
Business Experience	Minimum 3 years	25	23	Snowball
Business Experience	5-15 years	45	47	Recommendations
Business Experience	More than 15 years	15	18	Database
Types of Crafts	Traditional Crafts	35	32	Purposive
Types of Crafts	Modern Crafts	25	28	Purposive
Types of Crafts	Hybrid Crafts	10	12	Recommendations
Scale of Efforts	Micro	40	38	Database
Scale of Efforts	Small Business	35	37	Survey
Scale of Efforts	Medium Business	10	12	Recommendations
Stakeholder Roles	Main Actors	70	68	Purposive
Stakeholder Roles	Supporter	25	27	Institutional
Stakeholder Roles	Regulator	20	20	Institutional
Geographical Location	Central Village	85	82	Geographic
Geographical Location	Marketing City	30	33	Geographic

Purposive criteria in the selection of research samples. This table outlines various criteria such as business experience, type of craft, business scale, stakeholder role, and geographical location. Each criterion has a target number of respondents and the realization that has been successfully reached, along with the recruitment method used. With this table, the research shows transparency and accuracy in selecting samples that are suitable for the purpose.

III. RESULTS AND DISCUSSION.

Based on the results of the research, important findings were made related to four main problems that have hindered the development of the handicraft industry in various regions, namely weak brand identity and regional positioning, limited product quality and standardization, limited market access and marketing strategies, and limited resources and capacity of artisans (Meghasree & Guptha, 2025). Using qualitative methods in the form of

case studies and in-depth interviews with 115 representative respondents, this study provides a comprehensive and contextual picture of the dynamics and challenges faced by handicraft industry players.

Regarding the weakness of brand identity and regional positioning, the study confirms that many regions have not optimized the potential of local wisdom and cultural uniqueness as a distinguishing element in building their craft brands. This is in line with the concept of territorial branding, which places product identity as a transmitter of the image and unique characteristics of a region (Eskiev, 2021). The absence of a strong identity and clear differentiation makes it difficult for handicraft products to compete with similar products from other regions as well as mass industrial products (Meghasree & Guptha, 2025). This study also found that the weaknesses of the branding strategy harm consumer perception and buyer loyalty. Therefore, strengthening regional positioning through an authentic and integrated territorial branding strategy is crucial as a foundation for long-term competitiveness. This is reinforced by the findings from Spielmann (2015), who stated that territorial branding provides a competitive advantage by creating a perception of quality related to the origin of the product (Arraya & Triono, 2026).

Territorial can be presented as a product with its own brand (Petrevska & Cingoski, 2017). According to Anholt, territorial branding encompasses knowledge and practices aimed at measuring, building, and managing a country or region's reputation through six competitive factors: tourism, investment and immigration, people, culture and heritage, foreign and domestic policy, and export brands. People, culture and heritage, foreign and domestic policy, and export brands. This study confirms that the weakness of brand identity and regional positioning in the handicraft industry occurs because the use of these six elements has not been optimal, especially in the aspects of culture and heritage, and export brands, which should be the main strength of handicraft products. The research findings also support Anholt's proposed concept of competitive identity, where a territorial brand's competitive advantage can be achieved through differentiation that differentiates one region from another. As explained by Eskiev (2021) in his research "Territory Branding As An Opportunity For The Region's Development", territorial branding requires a specific approach based on SWOT analysis, competitive environment analysis, and target audiences to create a positive image that evokes clear associations.

Limitations in product quality and standardization are serious obstacles that hinder the growth of the handicraft industry. The products produced still vary in quality and do not meet consistent standards, both in terms of materials and workmanship, thus lowering consumer confidence. This research underlines the importance of empowering quality control mechanisms and technical training for craftsmen in order to maintain the stability of product quality (Briantama Yanuar et al., 2019). This approach is in line with the standardization practices recommended by international handicraft industry regulations (BaseBangladesh.org, 2021), which emphasize that the selection of raw materials, production processes, and quality testing must be carried out systematically. In addition, according to Benzaquen and Narro (2023), the implementation of integrated quality management (TQM) in small and medium-

sized enterprises greatly contributes to improving product excellence through strong leadership, product design planning, and supervision of the production process.

Limited market access and marketing strategies are also dominant issues that hinder the economic expansion of handicraft actors. Several artisans and entrepreneurs still lack adequate marketing skills, especially in utilizing digital channels, which are now the main bridge to reaching local and global markets. The literature study supports these findings by emphasizing the urgency of strategic marketing for handicraft SMEs to be able to conduct proper market analysis, segmentation, and positioning (Makhitha, 2016). Digital marketing serves as an effective tool to increase product exposure, enable more efficient market targeting, and strengthen customer loyalty (Hadiyati, 2024). However, Limited digital knowledge and resources prevent the potential of digital marketing from being fully optimized. Therefore, the literature suggests ongoing digital marketing training and cross-sector collaboration to expand market access and competitiveness (Dilip & Rajeev, 2013).

The limited resources and capacity of artisans are structural challenges that require serious attention. The decline in the number of skilled craftsmen, especially in the younger generation, due to disinterest in professions and economic issues, makes knowledge transfer and business continuity vulnerable (Internationalscholarsjournals.com, 2025). In addition, limited capital, access to financing, and technical training facilities also limit the production and innovation capacity of craft business actors, as highlighted by research in Malaysia that alludes to the need for training and capital support programs (Internationalscholarsjournals.com, 2025). This reflects the importance of human capacity building through skills education, business management training, and the provision of accessible access to funding (Baziana & Tzimitra-Kalogianni, 2019). The position of stakeholders, ranging from local governments, handicraft associations, to financial institutions, needs to be strengthened through harmonious collaboration in accordance with the theory of stakeholders Freeman (2017) to support the development of craftsman capabilities and the synergy of sustainable development of the handicraft sector. Thus, this study emphasizes that territorial branding strategies must be designed holistically and adaptively, integrating strengthening brand identity, improving quality standards, adopting modern marketing strategies, especially digital marketing, and developing human resource capacity. Multi-stakeholder synergy involving all stakeholders is the key to the successful implementation of this branding strategy (Siswanto et al., 2018). The results of the thematic analysis also highlight that the sustainability of the handicraft industry business is highly dependent on how these aspects support each other and are developed simultaneously in their respective local contexts. This strategy will not only increase the competitiveness of handicraft products in the regional and international markets but also encourage regional economic growth and the welfare of artisans in a sustainable manner (Susanto & Kiswanto, 2021).

This research applies the stakeholder theory developed by R. Edward Freeman (1984) in his book *Strategic Management: A Stakeholder Approach* to

explain the importance of cross-sector collaboration in the handicraft industry. Freeman defines stakeholders as groups and individuals who can influence or be influenced by organizational actions, which in the context of the craft industry include artisans, business owners, local governments, local communities, and consumers. This theory emphasizes that a company is not an entity that operates only for its own interests, but must provide benefits to all its stakeholders to create greater economic and social value. The results show that the limited resources and capacity of artisans can be overcome through the application of the principle of stakeholder theory, where local governments, craft associations, and financial institutions work together to provide training, capital support, and capacity-building facilities. As stated by Parmar et al. (2010) in "Stakeholder Theory: The State of the Art", the stakeholder approach allows businesses to be understood as a set of relationships between groups that have an interest in business activities to jointly create and trade value.

The research is also supported by the Resource-Based View (RBV) theory developed by Jay Barney (1991) in "Firm Resources and Sustained Competitive Advantage," which emphasizes the importance of the company's internal resources in creating a sustainable competitive advantage. According to RBV, valuable, rare, inimitable, and non-substitutable (VRIN) resources can produce sustained competitive advantage. However, in the context of the territorial craft industry, this study adopts the concept of communal leverage developed by Spielmann (2015) in "Sharing Competitive Advantage: The Territorial Brand As A Strategic Resource," which explains how geographically bound companies can share valuable resources to create a shared competitive advantage through territorial brands. Spielmann said that a territorial brand is a form of regional umbrella branding that is not proprietary and created through a bottom-up process involving all companies in the region of origin. The findings of the study confirm that the territorial branding strategy allows for communal leverage where artisans and business actors share valuable resources such as knowledge, technology, market access, and regional reputation to strengthen the collective competitiveness of the handicraft industry, while overcoming the limitations of individual resources of each business actor.

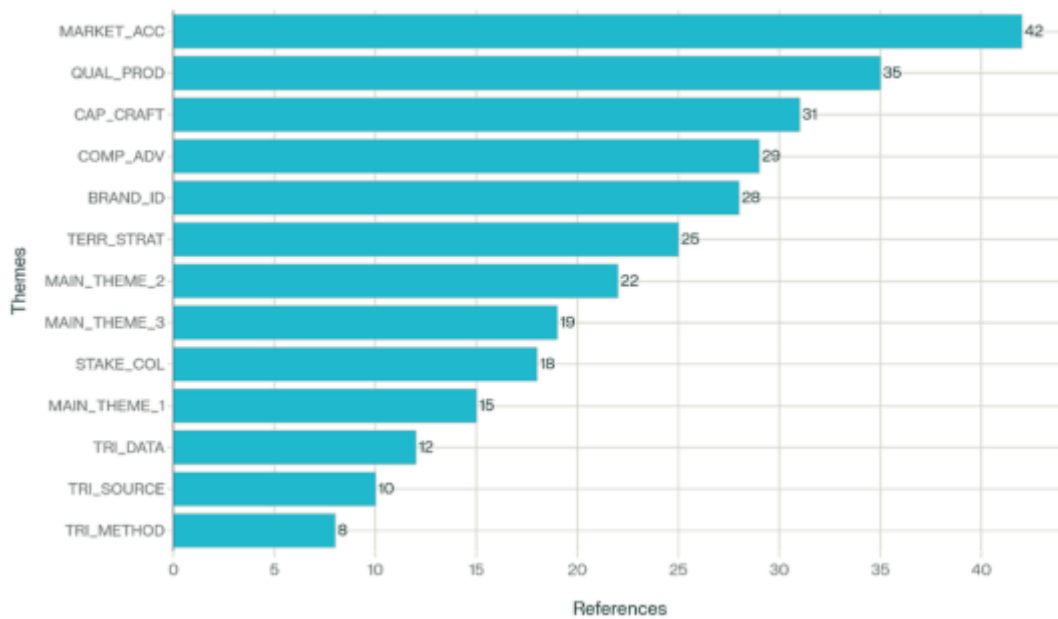


Figure 1. Theme Ref Frequency

This graph shows the number of references for each key theme identified during the coding process and thematic analysis of the research. Each bar on the graph shows the number of times the theme appears or is associated with the data from interviews and observations. From the graph, it can be seen that the theme of Market Access and Marketing Strategy (MARKET_ACC) has the highest frequency, indicating the greatest focus in discussions, analysis, and problems experienced by respondents related to efforts to improve the competitiveness of the handicraft industry. Other themes with a high number of references are Product Quality and Standardization (QUAL_PROD), Craftsman Capacity (CAP_CRAFT), Competitive Advantage (COMP_ADV), and Brand Identity and Regional Positioning (BRAND_ID), also showing the importance of these issues in the strategy of strengthening territorial branding. Other themes, such as the Integrated Territorial Branding Strategy (TERR_STRAT), Stakeholder Collaboration (STAKE_COL), as well as three selective and triangulating themes (Strengthening Regional Brand Identity, Quality Improvement and Standardization, Market Expansion and Human Resource Capacity, etc.) also received attention, but with a lower frequency. This frequency pattern confirms that the issue of marketing and market access, product quality, and brand identity is a core challenge as well as a priority for action in strengthening the competitiveness of the handicraft industry in various regions (Sui et al., 2025).

IV. CONCLUSION AND RECOMMENDATIONS

This study concludes that strengthening territorial branding strategies is the main key to increasing the competitiveness of the handicraft industry in various regions. From the results of the thematic analysis, it was found that the main problems that must be overcome include weak brand identity and regional positioning, inconsistency in product quality and standardization, limited market access and lack of optimal marketing strategies, and low capacity and resources of artisans. An effective branding strategy must integrate distinctive aspects of local culture and wisdom with quality standardization and the application of modern marketing approaches, especially digital marketing. In addition, the active role of various stakeholders, such as governments, communities, and associations, is indispensable to creating synergies that strengthen brand positions and expand market coverage. This holistic and collaborative approach will result in a continuous improvement in the competitiveness and sustainability of handicraft businesses.

Practically, this research makes an important contribution to policymakers, industry players, and related parties in establishing policies and programs to support the development of the handicraft industry that focuses on strengthening territorial branding. Local governments are expected to provide training facility support to improve the technical and managerial skills of craftsmen, as well as encourage the implementation of product quality standards. In addition, the development of digital infrastructure and access to special financing for handicraft MSMEs are fundamental to facilitating market expansion through digital channels. Industry players also need to innovate in product and marketing aspects and build solid partnerships with the government and supporting organizations so that synergy between stakeholders is created properly. Academically, the results of this study pave the way for further research exploring the quantitative influence and interaction of various territorial branding factors using mixed-methods approaches, particularly within the context of creative industry development in other regions in the context of creative industry development in other regions.

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