

STRATEGIES AND CHALLENGES OF SMES IN PURWAKARTA: A LITERATURE REVIEW

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Abstract- This paper examines the strategies and challenges faced by Small and Medium Enterprises (SMEs) in Purwakarta, a district in West Java, Indonesia. SMEs play a crucial role in the economy, contributing to job creation and regional development. SMEs face numerous challenges that affect their growth and sustainability. The problem addressed in this paper is the limited growth and sustainability of SMEs in Purwakarta due to challenges inadequate access to financing, lack of skilled labor, and adopting modern technologies. This paper provides a novel approach by combining a literature review with text analysis using PoP (Publish or Perish) and VOSviewer for SME literatures in Indonesia. This study employs a literature review approach combined with text analysis using PoP and VOSviewer. The literature review synthesizes existing research on SMEs in Purwakarta on the strategies and challenges. VOSviewer is used to maps the relationships between key terms in SME research. SMEs face challenges in capital, infrastructure, and a lack of skilled labor. Economic factors, market fluctuations, and regulatory issues further impact their strategies. The study highlights the need for government support to promote sustainable growth. The literature on SMEs in Purwakarta highlights their significant economic impact on business performance, growth, and employment, with research identifying six interconnected clusters reflecting the challenges and opportunities faced by SMEs. To maximize their potential, SMEs must implement tailored strategies that enhance financial performance, market expansion, and address the unique characteristics of the local economy, infrastructure, and resources.

Keywords: Challenges; Purwakarta; SMEs; Sustainability; VOSviewer

1. INTRODUCTION

1.1 Research Background

Small and medium-sized enterprises (SMEs) form the backbone of local economies (Gamage et al., 2020), driving regional growth (Gamidullaeva et al., 2020) and generating employment opportunities (Tambunan, 2019). In Purwakarta, a district in West Java, Indonesia, SMEs play a vital role in fostering community engagement (Parmalasari & Purwani, 2023) and economic development (Imroatussolehah et al., 2024). However, despite their significance, many SMEs in the region face challenges that hinder their growth and long-term sustainability. This study explores the strategies adopted by SMEs in Purwakarta to overcome these challenges and examines the key factors that have contributed to their success

The urgent need to address the issues impeding the expansion and sustainability of SMEs (Das et al., 2020) in Purwakarta is what motivated this study. These businesses frequently face major challenges, such as restricted access to funding, a lack of workers, and trouble implementing contemporary technology. These obstacles hinder the district's overall economic development in addition to limiting the growth potential of individual SMEs. This study's main goal is to comprehend how SMEs may get beyond these obstacles in order to experience steady growth and acquire a competitive edge.

The novelty of this research lies in its methodological approach, which combines bibliometric analysis tools, Publish or Perish (PoP) and text visualization VOSviewer, with a comprehensive literature review. By applying these tools, the study provides a fresh perspective on the existing body of knowledge, enabling a systematic exploration of emerging trends, research gaps, and conceptual linkages. Focused on SMEs in Purwakarta, an area that has received limited attention in previous studies, this approach deepens our understanding of Purwakarta' SME. It contributes valuable insights into the challenges and strategies unique to this specific context, enriching the broader discourse on sustainable development for local enterprises.

1.2 Literature Review

1.2.1 Definition and Characteristics of SMEs

Small and Medium Enterprises (SMEs) are widely recognized as pivotal players in global and local economies due to their adaptability (Franczak & Weinzimmer, 2022), resilience (Bak et al., 2023), and ability to foster innovation (Hilkenmeier et al., 2021; Phonthanukitithaworn et al., 2023). SMEs are generally defined based on parameters such as annual revenue, number of employees, and asset size, which vary by country. In Indonesia, the definition is stipulated under Law No. 20 of 2008, which categorizes SMEs based on their net worth and annual sales. Specifically, small enterprises are defined as businesses with a net worth of between IDR 50 million and IDR 500 million and medium enterprises with a net worth of up to IDR 10 billion. This classification underpins the strategic significance of SMEs in contributing to economic diversification and regional development.

1.2.2 Role of SMEs in Local and National Economies

SMEs serve as the backbone of economic growth in both developed and developing nations (Bayraktar & Algan, 2019). In Indonesia, SMEs contribute significantly to the Gross Domestic Product (GDP), accounting for approximately 60% of the nation's GDP (Kelly et al., 2023) and absorbing more than 97% of the workforce (Kurniadi & Wishnu Wardana, 2024). Their role in fostering entrepreneurship, reducing regional disparities, and promoting economic resilience cannot be overstated.

On a local level, SMEs are instrumental in driving regional economies (Bayraktar & Algan, 2019; Imroatussolehah et al., 2024), especially in underserved areas. They create employment opportunities (Tambunan, 2019), enhance community engagement (Parmalasari & Purwani, 2023), and encourage the utilization of local resources (Gamage et al., 2020). By offering tailored products and services, SMEs also support cultural preservation (Yunus et al., 2023) and meet unique market demands (Mariyudi, 2019). These contributions strengthen SMEs indispensable role in achieving sustainable development and economic stability.

Despite their immense contributions (Amoah et al., 2022), SMEs often face structural challenges that limit their growth potential (Bui et al., 2021; Kindström et al., 2024). Limited access to financing (Megersa, 2020), inadequate infrastructure (Isichei et al., 2020), and low levels of digital literacy (Ollerenshaw et al., 2021) are among the most persistent obstacles.

Many SMEs struggle to adopt modern technologies (Shaikh et al., 2021), access wider markets (Calabrese et al., 2021), or comply with regulatory requirements (Jahankhani et al., 2022). These limitations hinder their scalability and their competitiveness in an increasingly globalized economy. Therefore, addressing these issues through inclusive policies and targeted interventions is crucial for unleashing the full potential of the SME sector.

To ensure the long-term sustainability (Manzaneque-Lizano et al., 2019) and resilience of SMEs (saad et al., 2021) it is essential to foster an enabling ecosystem through collaboration between government (Alkahtani et al., 2020), private sector (Gannon et al., 2021), and academic institutions (Brako Ntiamuah et al., 2016). Strategic initiatives such as digital transformation programs (Okfalisa et al., 2021), mentorship (Onyenwe & Ifunanya, 2021), and easier access to financing (Megersa, 2020) can enhance the adaptive capacity of SMEs. Moreover, promoting innovation and sustainability practices within SMEs will enable them to survive but thrive amidst uncertainties and evolving market demands. Such efforts are vital for reinforcing SMEs as a central pillar of inclusive and sustainable economic development.

1.2.3 A Regional Perspective on West Java and Purwakarta

Indonesia boasts a thriving SME sector, with more than 64 million registered enterprises as of recent data (Hermawan & Nugraha, 2021). These businesses are vital in driving economic progress, especially in provinces like West Java, where urbanization and industrialization are accelerating. West Java is a hub for manufacturing, agriculture, and creative industries (Ahman et al., 2024) providing fertile ground for SME growth. The provincial government actively supports SMEs through initiatives aimed at enhancing access to financing, improving infrastructure, and promoting technological adoption.

In the district of Purwakarta, SMEs form a critical component of the local economy (Gamage et al., 2020), contributing to sectors such as agriculture (Sulistiyowati et al., 2020), food processing (Parmalasari & Purwani, 2023), and handicrafts (Sunjoto et al., 2023). Purwakarta's strategic location, close to major industrial centers, positions its SMEs advantageously for market expansion. However, challenges such as limited access to advanced technology, a lack of skilled labor, and regulatory hurdles persist, impacting their growth and competitiveness.

The characteristics of SMEs include their predominantly informal operations (Nguyen & Canh, 2021), limited market reach (Amiri et al., 2023), and reliance on local resources (Ausat et al., 2023). Despite these limitations, SMEs exhibit flexibility in responding to market demands and play a key role in job creation, innovation, and economic inclusivity. They act as a bridge for transitioning economies, enabling the development of a more robust business ecosystem. To provide a comprehensive understanding of the existing research on SMEs, Table 1 summarizes key studies relevant to this field. Each entry includes the study's title, publication year, authors, research methods, main variables examined, key findings, and noted limitations. This compilation offers valuable insights into the diverse approaches and outcomes in SME research, highlighting gaps and opportunities for future investigation.

The reviewed literature highlights a broad spectrum of strategies and challenges faced by SMEs across various contexts, with relevance to the case of Purwakarta. Many studies emphasize factors such as innovation (Hilkenmeier et al., 2021; Phonthanukitithaworn et al., 2023), digital transformation (Hermawan & Nugraha, 2021; Imroatussolehah et al., 2024), financial access (Nguyen & Canh, 2021; Tambunan, 2019), and resilience (Gamage et al., 2020; Yunus et al., 2023) as critical for SME performance and sustainability. The methodologies employed are diverse, ranging from quantitative approaches like SEM and bibliometric analysis to qualitative methods and participatory action research.

Table 1. Summary of Key Literature on Small and Medium Enterprises (SMEs)

No.	Title and authors	Methods	Variables	Findings	Limitation
1.	How SMEs Leverage Adaptability, Risk-Taking, and Action Into Positive Performance— A Moderated Mediation Model (Franczak & Weinzimmer, 2022)	The study uses a moderated-mediation design with quantitative data analysis to examine the relationships between adaptability, action orientation, risk-taking, and SME performance..	Independent Variable: Organizational Adaptability; Mediator: Action Orientation; Moderator: Risk-taking (organizational risk environment); Dependent: SME performance	Adaptability positively influences action orientation, which in turn enhances performance, with stronger effects in risk-taking environments.	The study is limited by self-reported data, a cross-sectional design, and a region-specific sample, which may affect bias, causality, and generalizability.
2.	Limited to 2006–2019 publications; excludes recent data and informal SME practices due to data scarcity (Bak et al., 2023)	Systematic Literature Review (SLR) of 101 journal articles published between 2006 and 2019.	Collaboration; Organizational culture; SME capabilities; Information systems; Cost and financing	Systematic review reveals SME resilience depends on collaboration, capabilities, IT use, financing; limited by scope.	Limited to 2006–2019 publications; excludes recent data and informal SME practices due to data scarcity.
3.	How to foster innovation in SMEs: evidence of the effectiveness of a project-based technology transfer approach (Hilkenmeier et al., 2021)	Structural Equation Modeling (SEM); case data from 106 SME-RTO projects	Trust, absorptive capacity, collaboration effectiveness, R&D engagement, project outcomes	Long-term R&D engagement; trust drives capability-building and economic benefit	Self-reported data; limited to one industrial cluster and RTO collaboration model
4.	Sustainable Development towards Openness SME Innovation: Taking Advantage of Intellectual Capital, Sustainable Initiatives, and Open Innovation (Phonthanukitithaworn et al., 2023)	Structural Equation Modeling (SEM)	Intellectual capital, open innovation, sustainability initiatives	Intellectual capital fosters open sustainability innovation in SMEs	Context limited to Thai SMEs; may not generalize globally
5.	Formal and informal financing decisions of small businesses (Nguyen & Canh, 2021)	Empirical test on Vietnamese SMEs	Entrepreneur, firm-level, and institutional factors influencing financing decisions	All three dimensions significantly influence financing choices	Context limited to Vietnamese SMEs; lacks longitudinal data
6.	Visualisation of global research trends and future research directions of digital marketing in small and medium enterprises	Bibliometric analysis, performance analysis, VOSviewer,	Publications, authors, institutions, countries, keywords,	Five thematic clusters; most productive year 2021; top journals and	Limited to Scopus data; bibliometric scope only; lacks qualitative analysis

No.	Title and authors	Methods	Variables	Findings	Limitation
	using bibliometric analysis (Amiri et al., 2023)	thematic clustering	citations, collaborations	institutions identified	
7.	Utilisation of Natural Resources as a Source of Inspiration and Innovation in SME Development (Ausat et al., 2023)	Qualitative: observation, note-taking, data reduction, visualization, inference	Natural resource utilisation, SME development, product competitiveness	Natural resource utilisation boosts SME value, competitiveness, job creation, and economic benefits	Relies on secondary data; lacks primary field research
8.	The Importance Of SMEs On World Economies (Bayraktar & Algan, 2019)	Literature review and data analysis	SME size, employment, innovation, GDP	SMEs drive employment, economic growth, innovation, social cohesion	Limited focus on sectoral differences
9.	The Role of SMEs in Local Economic Improvement and Labor Absorption in Indonesia (Kurniadi & Wishnu Wardana, 2024)	Literature review and analysis	Access to capital, digitalization, policy, education	MSMEs contribute 60% GDP, employ 97% workforce	Limited primary data, reliance on secondary sources
10.	Social CRM in SMEs: A systematic literature review (Yasiukovich & Haddara, 2021)	Systematic literature review	Social CRM adoption phases, SMEs	Identified adoption trends across CRM life-cycle	Limited to 22 articles, dated till 2020
11.	The Influence of Digitalization on Economic Growth by Mediation of Increasing the Productivity of MSME in the Culinary Field in Purwakarta Regency (Imroatussolehah et al., 2024)	Quantitative; questionnaire; SmartPLS 3.0	Digitalization, MSME productivity, economic growth	Digitalization mediates MSME productivity's impact on economic growth	Sample limited to culinary MSMEs only
12.	Recent evidence of the development of micro, small and medium enterprises in Indonesia (Tambunan, 2019)	Quantitative descriptive; PLS-SEM analysis	Financial literacy; SME business performance	Financial literacy positively affects SME performance	Limited to Sukun District; cross-sectional data
13.	Assistance For Cihanjavar Village UMKM Products Through Business Legality And Packaging In 2023 (Parmalasari & Purwani, 2023)	Participatory Action Research (PAR)	Business legality, product packaging, UMKM knowledge	Increased UMKM knowledge on packaging and business legality	Limited to one village, short-term intervention
14.	A review of global challenges and survival strategies of small and medium enterprises (SMEs) (Gamage et al., 2020)	Literature review of 110 papers and institutional reports	Global challenges, survival strategies, economic globalization factors	Identified key global challenges and SME survival strategies	Lack of primary data; focuses on published literature only
15.	Preserving Heritage of Humanity: A Systematic Study of the Pandemic Impacts and	Systematic literature review; interviews using Most	SME strategies, revenue, entrepreneurial qualities,	Revenue dropped 70%; strategies: retrenchment, innovation,	Limited sample size; focus on batik SMEs; pandemic period only

No.	Title and authors	Methods	Variables	Findings	Limitation
	Countermeasures of the SMEs (Yunus et al., 2023)	Significant Change technique	pandemic impact	perseverance, temporary exit	
16.	Success factors of SMEs: The case of Indonesia (Mariyudi, 2019)	Survey questionnaire, SEM analysis	Micro-environment, innovativeness, business growth, geographical clusters	Micro-environment and clusters impact innovativeness and growth	Limited to survey data, lacks qualitative insights
17.	The Development of Small-Medium Enterprises (SMEs) and the Role of Digital Ecosystems During the COVID-19 Pandemic (Hermawan & Nugraha, 2021)	Literature review and cluster analysis	SME resilience, digital economy, technology adoption	IT crucial for SME resilience; clusters impact recovery strategies	Limited primary data; focuses on literature only
18.	Analysis of Determining Leading Sectors in West Java Province in Facing the Global Market (Ahman et al., 2024)	Klassen Typology, LQ, Shift Share	Economic sectors, regional data (2020-2022)	Leading sectors identified; shift from agriculture to industry and services	Data limited to 2020-2022; no primary data collected
19.	Structural Transformation of the West Java Economy and Its Agriculture (Sulistiyowati et al., 2020)	Quantitative descriptive using secondary GDP data (2013–2018)	Agricultural sector growth, national GDP, subsectors	Positive influence from national GDP; slow growth; limited specialization	Relies on secondary data; no primary field validation
20.	Maqasid Sharia Analysis of The Welfare Level of Muslim's Ceramic Craft in Plered Purwakarta (Sunjoto et al., 2023)	Quantitative descriptive analysis, Likert scale	Welfare level, Maqasid Syari'ah indicators	Majority moderate welfare; highest in asset maintenance	Limited to one district; no qualitative data

Source: Research Data (2025)

This diversity strengthens the validity of insights while showcasing different dimensions of SME development. Notably, findings suggest that adaptability, collaboration, and intellectual capital significantly enhance SME competitiveness and innovation, though these benefits are often context-specific.

Despite the richness of the literature, several limitations are consistently identified. Many studies rely on self-reported or secondary data and are confined to specific regions or sectors, limiting generalizability. Furthermore, while global and national perspectives are well-documented, there is a lack of localized, district-level studies—especially in regions like Purwakarta. Some of those papers (Imroatussolehah et al., 2024; Sunjoto et al., 2023) offer direct insights into the local context, underscoring the novelty and significance of focusing on Purwakarta SMEs. These gaps highlight the need for more contextualized, holistic approaches that consider local governance, infrastructure, and cultural dynamics. Thus, this paper aims to fill that gap by providing a focused review of strategies and challenges unique to SMEs in Purwakarta, supported by text mining and bibliometric tools.

This study aims to delve deeper into these dynamics, identifying strategies that SMEs in Purwakarta employ to navigate their challenges and analyzing factors that influence their

sustainability and success. The findings aim to provide actionable insights for policymakers, business owners, and stakeholders invested in the growth of the SME sector in this region.

2. RESEARCH METHODOLOGY

2.1 Methodology

This study employs a comprehensive literature review (Abdulla, 2018; Carrera-Rivera et al., 2022; Kraus et al., 2023) with bibliometric analysis to investigate the strategies and challenges faced by Small and Medium Enterprises (SMEs) in Purwakarta, West Java, Indonesia. To enhance the depth of analysis, bibliometric tools, including Publish or Perish (Amutuhaire, 2022; Fahrudin, 2023; Kurniati et al., 2022) and VOSviewer (Arruda et al., 2022; Bukar et al., 2023; Kirby, 2023), are utilized. PoP is employed to identify trends and patterns in the publication of research related to SMEs. By extracting data from academic databases, this tool provides insights into the frequency of publications, citation metrics, and the evolution of research themes over time. This visualization software maps the relationships between key concepts in SME research. VOSviewer identifies clusters of interrelated topics, emerging trends, and potential research gaps, offering a nuanced understanding of how various factors interact in the context of SMEs. To clarify the procedures followed in this research, the flowchart below outlines each step taken in the methodological process

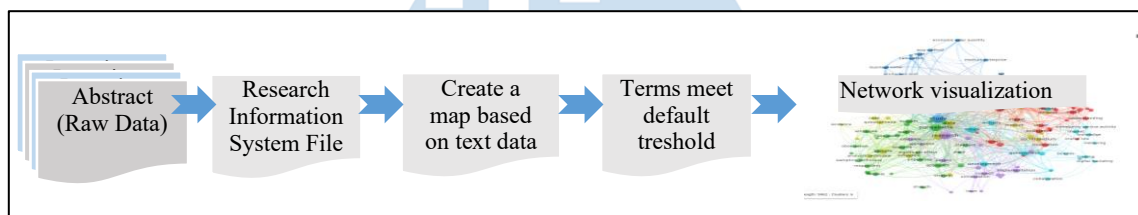


Figure 1. Text Data Processing

Source: Research Data (2025)

The flowchart above illustrates the sequential stages undertaken in the bibliometric analysis process. The procedure begins with the processing of text data, which is then converted into a Research Information System (RIS) file format compatible with the software. This file serves as the foundation for mapping the bibliographic data. Next, a term co-occurrence map is generated based on the extracted text data. The software applies a default threshold to filter terms, ensuring only the most relevant and frequently occurring concepts are included. Finally, the network visualization is produced, allowing for the identification of thematic clusters, term interconnections, and research gaps in the literature on SMEs. This systematic approach enhances the clarity and depth of the analysis.

2.2 Data Sources and Analysis

The study relies on peer-reviewed journal articles, conference proceedings, and government reports relevant to SME development in Purwakarta, West Java, Indonesia. This particular emphasis is placed on research focusing on West Java and Purwakarta to ensure region-specific insights. Bibliometric data is drawn from reputable academic databases: Scopus, Web of Science, and Google Scholar. The keywords used in this research were "SMEs" and "Purwakarta," focusing on publications from 2019 to 2024. The inclusion criteria for this research were as follows: the article focuses on SMEs in Purwakarta, Indonesia, specifically covering the period between 2019 and 2024. It includes studies available in PDF format that are accessible for review. The research discussed in these articles is relevant to the subject of

SMEs in Purwakarta within the specified timeframe, offering insights into the challenges and strategies these businesses face in the region.

The steps taken for data analysis began with entering all articles that met the criteria into a RIS file for input into VOSviewer. In the VOSviewer menu, a map was created based on text data or RIS data. The fields used for the analysis were the title and abstract of the articles, with binary counting applied. To determine relevance, the minimum number of occurrences for a term was set to two, resulting in 942 terms, with 152 terms meeting the threshold. For each of the selected terms, a relevance score was calculated, and all the selected terms were included in the analysis, with a total of 152 terms chosen.

3. RESULT AND DISCUSSION

This research resulted in 35 pieces of literature related to SMEs in Purwakarta. From these, 28 were selected based on the availability of accessible PDF files for key term analysis. The dataset reveals six distinct clusters, each representing a thematic grouping based on the co-occurrence of terms and their link strengths in the context of SME-related research. These clusters provide a structured understanding of the interconnected topics, methodologies, and focus areas within the literature. The clusters highlight various dimensions of SME development, ranging from their economic contributions and operational challenges to community engagement and policy implementation. Below is a detailed analysis of each cluster, emphasizing the dominant themes and their implications for SME research.

The figure below provides a clear view of the thematic landscape of SME-related research in Purwakarta. By using VOSviewer to analyze the text co-occurrence from literatures obtained, this visualization identifies interconnections of the topic in the existing literature. The terms are clustered into six distinct groups, each associated with specific areas of interest, which reflect the academic focus or the practical challenges faced by SMEs in the region. The figure shows a network visualization created using VOSviewer, representing the relationships between various topics found in the literature related to small and medium-sized enterprises (SMEs) in Purwakarta. The figure displays the interconnections between different keywords based on their co-occurrence in scholarly works. The nodes represent individual keywords, while the edges indicate the strength of the relationship between them, with thicker lines signifying stronger associations. The size of each node correlates with its frequency of occurrence, and the proximity between nodes indicates how closely related the topics are. The figure shows six (red, blue, green, purple, orange, and teal) distinct clusters, each representing a specific thematic area of SME research. The color coding of the clusters suggests that there are multiple interconnected areas such as economic growth, business operations, government policy, and community engagement. The red, blue, green, purple, orange, and teal clusters highlight key terms related.

The wide spread of terms across different clusters suggests a broad interest in various aspects of SMEs, indicates potential research gaps, particularly in terms of integrating findings across clusters for more holistic approaches. Topics such as "digital marketing" and "e-commerce" also indicate growing interest in online business strategies in existing literature.

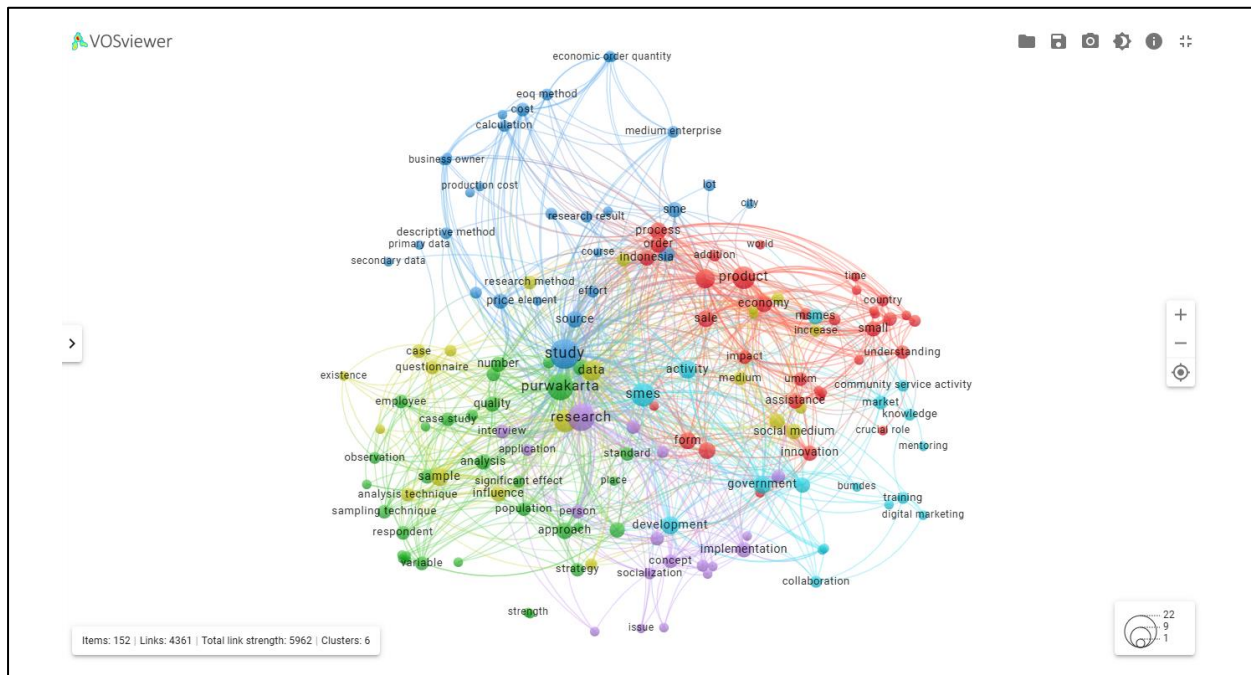


Figure 2. Interconnections of SME Topics in the Literature
Source: Research Data (2024)

The table below provides a detailed breakdown of the dominant topics identified in the VOSviewer network analysis of SMEs in Purwakarta. These topics have been categorized into six distinct clusters, each representing a different thematic focus in the research literature. The analysis of these clusters reveals the main areas of interest and provides insights into the current trends and research gaps in SME development, economic impact, and operational practices.

Table 2. Dominant Topics in SME Research – Purwakarta

Cluster	Dominant Keywords	Main Focus Area
Red	Product, Sale, Economy, Growth	Economic impact and business performance of SMEs
Blue	Research, Study, Data, Method	Research methodologies, data collection, and empirical studies
Green	Development, Socialization, Government	Policy, local development, and community-based SME initiatives
Purple	Innovation, Training, Technology	Role of innovation and technology in enhancing SME success
Orange	Consumer, Perception, Market	Customer behavior, market dynamics, and consumer perceptions
Teal	Cost, Survey, Questionnaire	Practical business operations, cost analysis, and market surveys

Source: Research Data (2024)

The VOSviewer visualization reveals that SME research in Purwakarta spans a wide range of topics, from economic performance and research methods to policy, innovation, and market analysis. The diverse clusters indicate a well-rounded body of literature and highlight potential areas for future research, particularly in integrating these themes for more holistic SME development strategies. Red Cluster (economic impact) focuses on the economic and business performance of SMEs. Terms such as "product," "sale," "economy," and "growth" emphasize the financial aspects of SMEs and their role in the broader economy. This suggests

a significant body of research investigating how SMEs contribute to economic growth, profitability, and market expansion. It indicates a well-established area of study with a strong focus on financial performance metrics. According to Gherghina et al. (2020), Dwyer (2023), and Rotar et al. (2019) SMEs play a crucial role in economic development by contributing significantly to GDP and employment. Their findings underscore that SMEs serve as the backbone of emerging economies, driving innovation, productivity, and inclusive growth.

Blue Cluster (research methodology) represents research methodologies, including terms like "research," "study," "data," and "method." This cluster suggests that much of the research on SMEs in Purwakarta involves empirical analysis, data collection techniques, and the application of various research methods. This cluster as mentioned by Dabić et al. (2020) emphasizes the academic rigor in SME research and highlights the importance of systematic studies to understand business dynamics.

Green Cluster (policy and development) consist of terms "development," "socialization," and "government" indicate a focus on policy-making and community development. This cluster points to the role of governance, social policies, and development programs in fostering SME growth. It suggests that there is an increasing interest in understanding how government initiatives support the sustainable growth of SMEs.

Purple Cluster (innovation and technology) underscores the importance of innovation, training, and technology in the SME sector. With terms "innovation" and "technology," this cluster highlights the role of modern advancements in business practices. Research in this area likely explores how adopting new technologies and fostering innovation can improve productivity, efficiency, and competitiveness in SMEs. The cluster's emphasis on "technology" and "implementation" aligns with the findings of Chen & Lai (2022), who argue that digital transformation is crucial for businesses in the modern era. SMEs that adopt digital tools and technologies according to Pfister & Lehmann (2024) tend to achieve higher efficiency and profitability.

Orange Cluster (market dynamics) featuring terms "consumer," "perception," and "market," suggests an emphasis on understanding consumer behavior and market trends. This area of research is crucial for SMEs to tailor their products and services to consumer needs. The presence of terms "consumer" and "market" indicates a focus on market research and consumer satisfaction. Cosenz & Bivona (2021) emphasize that consumer behavior analysis is important for SMEs businesses to tailor their strategies to meet market demands. Keywords such as "consumer" and "perception" suggest that SMEs in Purwakarta and similar contexts must focus on understanding customer preferences and decision-making processes.

Lastly, Teal Cluster (business operations) focuses on practical business operations, including cost analysis, surveys, and questionnaires. Terms "cost" and "survey" suggest a research interest in operational efficiency and feedback mechanisms for SMEs. This cluster likely investigates how SMEs assess their performance and gather insights to improve their business strategies. As mentioned by Prasanna et al. (2019) SMEs need to focus on survival improvement in the global market to effectively face global competition. The findings of this study align with Nguyen et al. (2023), who highlight that SMEs are predominantly concentrated in labor-intensive industries. This is attributed to the low entry barriers, relatively low fixed production costs, and SMEs focus on producing price-taker commodities

The VOSviewer network visualization depicts a set of terms that are connected through various links, with "problem" being the central node in the analysis. Figure below provides insight into the relationship between the term "problem" and other key concepts across several clusters.

Source: Research Data (2024)

The term "strategy" in this network visualization plays a central role and is highly connected to several other key terms, highlighting its importance in SME development research in Purwakarta. The term "strategy" is linked to 71 other terms with a total link strength of 87, suggesting that it is a significant concept in the study of SME challenges and growth in

Purwakarta. The term "strategy" is associated with terms "development", "research", and "Purwakarta" with strong connections, indicating that strategic approaches are being explored as part of the research on SME development in Purwakarta. Studies by Sastradinata et al. (2024) and Nugroho et al. (2024) have emphasized the importance of local context in developing effective strategies tailored to the specific challenges faced by SMEs in Purwakarta. Additionally, research by Ullah (2020) and Chandra et al. (2021) highlighted the role of strategic planning in fostering sustainable growth in regional SMEs, highlighting the need for region-specific approaches.

The term "strategy" has a connection weight of 3 with "Purwakarta" and "research", underscoring that strategies are being developed or analyzed within the context of Purwakarta and its business environment. The term "strategy" is linked to various elements related to SME management and growth, such as "data", "employee", "impact", "technology", and "innovation". These links suggest that the strategies under consideration may include the adoption of new technologies, understanding the impact of different factors on SME performance, and fostering innovation within small and medium enterprises (SMEs). The importance of this strategy has also been mentioned by several researchers (Prasetyani & Vikaliana, 2020; Trena et al., 2023). The connection between "strategy" and terms "threat", "strength", and "understanding" indicates that the research is focusing on how strategies can foster growth. The strong connection with "implementation" shows that there is an emphasis on putting these strategies into action. The strong link between terms "strategy," "development," "research," and "Purwakarta" emphasizes the importance of region-tailored (Purwakarta) strategies for the growth and sustainability of small businesses. The use of qualitative research methods suggests that a deeper, more contextual analysis is being undertaken to address these challenges and propose actionable solutions.

4. CONCLUSION

The literatures on SMEs in Purwakarta demonstrates a broad exploration of various factors influencing SME development. Based on the analysis of the SME research literature in Purwakarta, the following conclusions can be drawn.

- The economic impact of SMEs is a dominant theme, particularly related to business performance, growth, and their role in the local economy. Research highlights the importance of SMEs as engines of economic growth, emphasizing their contributions to GDP and employment. This area of research is well-established, with a strong focus on financial performance and market expansion
- The SME research in Purwakarta shows a wide range of interconnected topics, including economic performance, research methodologies, policy development, innovation, market dynamics, and business operations. The six distinct clusters identified (economic impact, research methodology, policy development, innovation and technology, market dynamics, and business operations) reflect the nature of SME challenges and opportunities in Purwakarta.
- SMEs in Purwakarta play a critical role in economic development, contributing significantly to employment. To maximize their potential, SMEs in Purwakarta must implement strategies that enhance their financial performance and improve market expansion.
- The unique characteristics of Purwakarta in term of local economy, infrastructure limitations, or access to resources require SMEs to develop strategies that are specifically tailored to these conditions. A one-size-fits-all approach may not work,

and strategies must look for local market conditions, supply chain constraints, and community engagement

5. LIMITATION

The research is limited by the sample size of SMEs in Purwakarta, which may not fully represent the diversity of businesses in the west Java region. The study's findings may not be generalizable to all SMEs in west Java or in Indonesia, especially those in other regions with different economic, cultural, or regulatory conditions.

Future research is recommended to expand the scope beyond Purwakarta by incorporating primary data collection and comparative analysis across multiple regions. This would provide a more comprehensive understanding of the diverse challenges and strategies of SMEs in varying economic, cultural, and regulatory contexts, thereby enhancing the generalizability and practical relevance of the findings

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