

Empowering MSMEs Through Community Assistance to Develop Chinese Creative Cultural Industries as Tourism Destinations in Tangerang City

Rina Aprilyanti^{1)*}, Lianah²⁾, Etty Herijawati³⁾

¹⁾²⁾³⁾Buddhi Dharma University

Imam Bonjol Street No. 41, Karawaci Ilir, Tangerang, Indonesia

¹⁾rina.aprilyanti@ubd.ac.id

²⁾lianahthe@ubd.ac.id

³⁾etty.herijawati@ubd.ac.id

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Abstract

This study aims to identify the influence of Business Assistance, Cultural Product Innovation, and Community Engagement on the Sustainability of Chinese culture based MSMEs in Tangerang City, with Tourism Attractiveness as a mediating variable. Tangerang City has significant potential to develop creative products rooted in Chinese culture; however, many MSMEs face challenges such as limited managerial capacity, product innovation, and community involvement in promoting cultural tourism. The study employs a quantitative approach using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) method to test the relationships among variables. Data were collected through a survey of 200 Chinese culture-based creative MSME actors selected via purposive sampling. The findings reveal that Business Assistance, Cultural Product Innovation, and Community Engagement exert a positive and significant effect on MSME Sustainability, with contributions of 21.5%, 19.8%, and 23.0%, respectively. Moreover, Tourism Attractiveness was found to partially mediate these relationships, further strengthening their positive impact on MSME sustainability. These results carry important practical and policy implications. First, the findings may serve as a foundation for local governments to design integrated MSME empowerment programs through business training, product innovation, and community collaboration. Second, the study provides a basis for developing culture based MSME assistance practices that not only enhance business capacity but also reinforce local cultural identity to expand tourism attractiveness. Thus, this research makes a direct contribution to public policy and culture based MSME empowerment strategies, with the potential to improve local economic competitiveness while preserving cultural heritage in Tangerang City.

I. INTRODUCTION

This study is motivated by the importance of MSMEs' contribution to the development of creative industries based on local culture, particularly Chinese culture in Tangerang City.

Tangerang City holds great potential in developing creative products rooted in Chinese culture, such as handicrafts, culinary arts, and performing arts. However, many MSMEs face challenges in business management, particularly in business assistance, product innovation, and community engagement in promoting cultural tourism. These obstacles have the potential to hinder the attractiveness of cultural tourism and affect the sustainability of MSMEs in this sector.

The role of Micro, Small, and Medium Enterprises (MSMEs) in local economic development is increasingly recognized, particularly in the creative industries sector based on local culture. Tangerang City, rich in cultural diversity including Chinese culture holds significant potential to leverage culture based MSMEs as a key driver of economic growth and tourism (Alzahrani & Aljuaid, 2022). MSMEs operating in this sector not only create employment opportunities but also play a role in preserving cultural heritage while introducing creative products that attract tourists. However, despite the growth of many culture based MSMEs, significant challenges remain, such as limited access to finance, weak managerial capacity, low levels of product innovation, and insufficient utilization of digital technology to optimize business and marketing activities (Ali et al., 2024).

In recent years, the Tangerang City Government has taken strategic steps to develop the potential of MSMEs related to cultural elements. For instance, in 2025, the Department of Culture and Tourism (Disbudpar) organized training for 50 MSME actors in the fashion sector aimed at enhancing product innovation and competitiveness through the integration of local cultural elements (including regional batik motifs) into their product designs. This initiative demonstrates that public institutions have begun to recognize the importance of strengthening cultural values in MSME development strategies in Tangerang.

This phenomenon highlights the importance of community-based business assistance, which can enhance the capacity of MSMEs to develop creative products rooted in Chinese culture, as well as community engagement in promoting cultural tourism as a strategy to increase the attractiveness of tourist destinations in Tangerang City. In this context, Social Capital Theory becomes relevant in illustrating how social relationships and community networks contribute to strengthening the sustainability and success of culture based MSMEs. Social capital manifested in social networks, trust, and shared norms serves as an essential mechanism for enhancing business capacity through assistance, product innovation, and effective promotion (Xin et al., 2020).

The objective of this study is to identify and analyze the influence of community-based business assistance, Chinese culture based product innovation, and community engagement in promoting cultural tourism on the sustainability of MSMEs in the Chinese culture based creative industry in Tangerang City. Furthermore, this study also aims to evaluate how the enhancement of cultural tourism attractiveness can mediate the relationship between these variables and MSME sustainability.

This research employs a quantitative approach using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) technique. Data were collected through a questionnaire survey administered to 200 Chinese culture based creative MSME actors in Tangerang, selected through purposive sampling. The data were analyzed using SmartPLS to examine validity, reliability, and the relationships among variables.

This research carries high urgency, given that culture based MSMEs, particularly those involving Chinese culture, play a pivotal role in local economic development and tourism promotion in Tangerang City. By focusing on factors influencing MSME sustainability such as business mentoring, culture based product innovation, and community involvement in cultural tourism promotion this study is expected to make a tangible contribution to the design of public

policies and empowerment programs that support culture based MSMEs in sustaining and advancing their businesses. The findings are also anticipated to provide new insights for MSME actors in enhancing their business capacity, strengthening community collaboration, and leveraging cultural tourism attractiveness as a strategy to achieve long-term business sustainability.

This study employs a quantitative approach using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) technique to measure the relationships between the independent variables (business mentoring, culture based product innovation, and community involvement) and the dependent variable (MSME sustainability), as well as to identify the role of tourism attractiveness as a mediating factor. Data will be collected through surveys involving Chinese culture based MSMEs in Tangerang City and relevant stakeholders in the tourism sector (Hair et al., 2022). This study aims to understand how internal factors, such as business mentoring and culture based product innovation, as well as external factors, such as community involvement in cultural tourism promotion, influence the sustainability of MSMEs. In addition, the research will analyze how tourism attractiveness can mediate the relationship between these factors and MSME sustainability.

Validity and reliability tests will be conducted to ensure that the collected data are dependable. Once the data have been gathered, SEM-PLS analysis will be carried out using SmartPLS software to test the hypotheses, examining both the direct effects of the independent variables on MSME sustainability and the mediating role of tourism attractiveness in enhancing the sustainability of Chinese culture based MSMEs (Ringle et al., 2013).

II. LITERATURE

To gain a deeper understanding of the factors influencing the sustainability of Chinese culture based MSMEs, this study conducts a comprehensive review of prior research relevant to the topic. The review aims to identify approaches employed in previous literature, explore key findings, and evaluate the strengths and limitations of the research methods applied. Furthermore, it seeks to provide a more nuanced understanding of how various variables related to MSME empowerment interact in supporting business sustainability, particularly in the context of the creative industries rooted in Chinese cultural heritage.

The primary focus of this review encompasses various aspects that serve as the key drivers of MSME sustainability, namely the empowerment of MSMEs through community-based mentoring, product innovation that integrates cultural elements, community involvement in the promotion and marketing of cultural tourism, and an in-depth analysis of the role of tourism attractiveness as a mediating factor in the relationship between these variables and MSME sustainability. This review is not limited to economic aspects but also takes into account the social and cultural dimensions that play a crucial role in the development of culture based creative industries.

The following table presents a summary of the state of the art from several key studies analyzed in this research. The information presented in the table includes the research title, methods employed, main findings achieved, strengths and limitations of each approach, as well as their relevance to the context of this study. Furthermore, this review also identifies potential gaps in the existing literature, which serve as the foundation for formulating a more comprehensive and integrated approach to developing a model for empowering culture based MSMEs as a leading tourism destination in Tangerang City. This study is expected to contribute to the development of more effective empowerment policies and programs, while promoting the sustainability of

MSMEs by strengthening collaboration between the business sector, communities, and the tourism sector.

This research is highly relevant to the development of culture based MSMEs, particularly in Tangerang City, to enhance the competitiveness and sustainability of enterprises rooted in Chinese cultural heritage. The main focus of the study lies in examining the influence of community-based business mentoring, Chinese culture based product innovation, and community involvement in cultural tourism promotion on the sustainability of MSMEs. Although numerous studies have addressed MSME sustainability, none have specifically investigated these factors within the context of culture based creative industries as a flagship tourism destination rooted in Chinese culture. This research is expected to fill this gap and contribute to policies and programs that support the growth of culture based MSMEs in Tangerang City.

This study offers novelty by integrating business mentoring, product innovation, and community involvement into a single holistic conceptual model, in contrast to previous research that focused on individual analyses. Furthermore, it examines the moderating role of cultural tourism attractiveness in the relationship between these factors and MSME sustainability. By employing SEM-PLS, this research provides a more structured and accurate understanding of the interactions between internal and external factors influencing MSME sustainability, while also offering practical recommendations for stakeholders in designing policies that support Chinese culture based MSMEs in Tangerang City.

The research roadmap presents a structured sequence of stages in the planned study. This roadmap is designed to systematically outline the steps to be undertaken in each phase of the research, starting from proposal preparation and data collection to result analysis and implementation of findings. Each stage is carefully planned with consideration of the specific research objectives and the predetermined timeline, thereby ensuring the effective achievement of the expected outcomes. The roadmap functions as an operational guideline to guarantee the smooth execution of the research in accordance with the established methodology, while also providing a clear direction toward obtaining valid and applicable results.

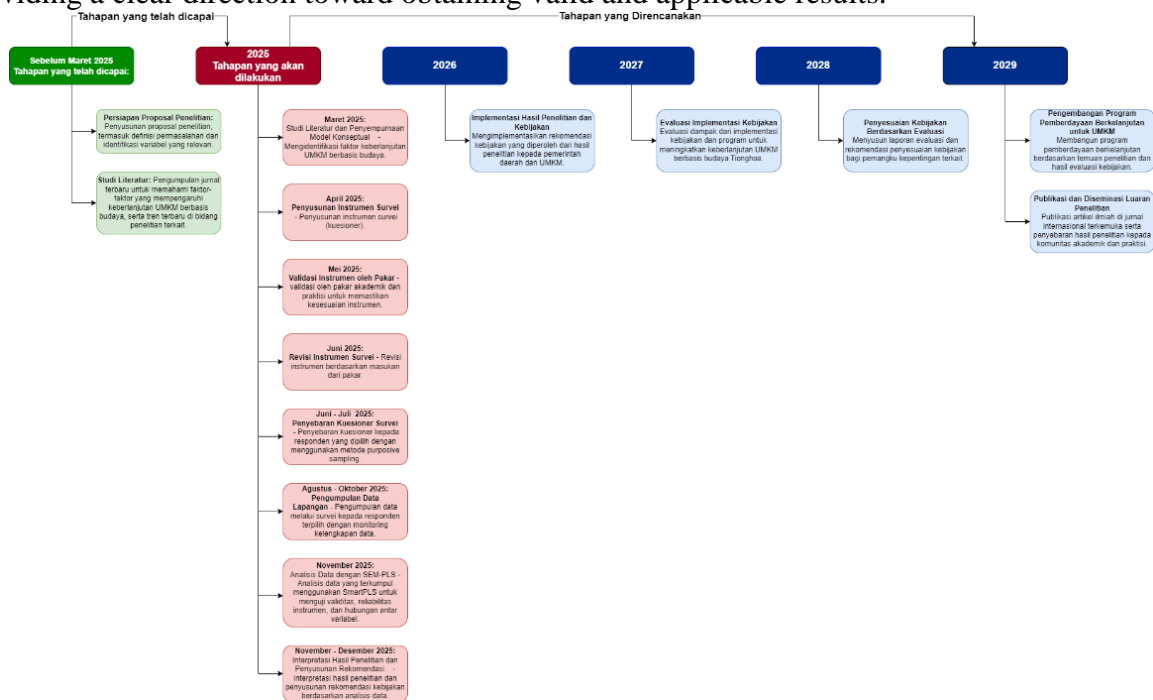


Figure 1. Research Roadmap

This research roadmap is carefully designed to ensure the smooth implementation and success of each planned stage of the study. The research will commence in March 2025 with the preparatory phase, which includes the development of a comprehensive research proposal. At this stage, the research objectives will be clearly formulated, key variables will be identified, and an in-depth literature review related to the sustainability of culture based MSMEs, particularly those rooted in Chinese culture in Tangerang City, will be conducted. This literature review is crucial for understanding the broader context of challenges and opportunities faced by culture based MSMEs, as well as for identifying previous studies relevant to this topic.

In the same year, the next stage will involve the design and validation of the survey instrument to be used for data collection from the selected respondents. The validation process will include consultations with experts to ensure that the survey instrument is both relevant and reliable in measuring the predetermined variables. Revisions to the instrument will be made based on expert feedback, ensuring that the tool is well-suited to field conditions. The questionnaires will then be distributed to respondents selected through purposive sampling, consisting of MSME actors rooted in Chinese culture in Tangerang City. This data collection process is expected to be completed by October 2025.

After the data collection, the data analysis process using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) will be carried out in November 2025. This method is chosen because it can examine the relationships among various variables and provide deeper insights into the interactions between community-based business mentoring, product innovation, community involvement, and the role of tourism attractiveness in the sustainability of MSMEs. The results of this analysis will be interpreted in December 2025, followed by the formulation of policy recommendations grounded in the empirical findings of this study. These policy recommendations are expected to directly contribute to the design of policies that support the development of Chinese culture based MSMEs in Tangerang City.

In 2026, this research will enter the stage of implementing the research findings and the policies that have been formulated. This implementation involves local stakeholders, including regional government, MSME support institutions, and cultural communities, to adopt and apply the policies and programs generated from this study. Furthermore, an evaluation of policy implementation will be conducted in 2027 to measure the impact and effectiveness of the programs implemented. This evaluation aims to assess the extent to which these policies can enhance the sustainability of culture based MSMEs, as well as to identify potential challenges that may arise during the implementation process.

Based on the evaluation results in 2027, adjustments to the existing policies will be carried out in 2028. These adjustments aim to improve and optimize the programs that have been implemented, with a focus on enhancing the effectiveness of MSME empowerment initiatives. During this stage, feedback from stakeholders and MSMEs will be highly valuable for formulating policies that are more adaptive and aligned with the needs of Chinese culture based MSMEs.

Finally, in 2029, this research will focus on developing sustainable empowerment programs for MSMEs, which will include aspects such as strengthening managerial capacity, fostering product innovation, and enhancing community involvement in the promotion of cultural tourism. The research findings will also be disseminated through scholarly articles in leading academic journals, as well as through presentations to the academic community, practitioners, and broader stakeholders. These publications are expected to make a significant contribution to the advancement of theory and practice in the management of culture based MSMEs and to encourage the application of research outcomes within broader policy contexts (Adeliani et al., 2023; Aisyah

& Aulia, 2024; Andiansyah et al., 2025; Damayanti et al., 2023; Darnita, 2024; Deliana et al., 2024; Fikien et al., 2021; Haerul et al., 2024; Harini et al., 2023; Husen & Putri, 2023; Isnawati, 2022; Istamarina et al., 2025; Mulyasari et al., 2024; Nasution et al., 2022; Ningtyas & Kusuma, 2024; Nugraha et al., 2023; Prakoso et al., 2020; Rachman et al., 2022; Radyanto & Prihastono, 2020; Samili et al., 2023; Suleman & K. Thalib, 2024; Surianti et al., 2021; Wirsa, 2024).

III. RESEARCH METHOD

To ensure coherence and systematic execution, this research process is designed in structured and sequential stages. The following research roadmap illustrates the workflow from beginning to end, encompassing all essential phases, starting from the literature review and the development of the conceptual framework to the stages of implementation, evaluation, and dissemination of results. Each stage is designed based on rigorous scientific methodology, with an emphasis on data validity and scientific acceptability. This diagram serves as both an operational guide and an evaluation tool to effectively and efficiently assess the progress of the research.

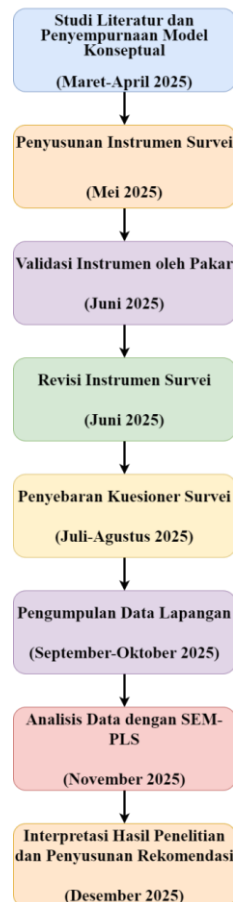


Figure 2. Research Process 2025

This study employs a quantitative approach with an explanatory design to explain the causal relationships among variables in the context of the sustainability of Chinese culture based MSMEs as a flagship tourism destination in Tangerang City. This approach is chosen to provide a clear description of the interrelationships among the variables under study and to identify the factors that have the most significant influence.

Literature Review and Refinement of the Conceptual Model (March–April 2025)

Activities: The research team will conduct a comprehensive literature review using the latest scholarly journals (2022–2025) from international academic databases (Scopus, JSTOR, Google Scholar) to identify the key factors influencing the sustainability of Chinese culture based MSMEs in Tangerang City and to refine the conceptual research model.

Output: A conceptual model integrated with relevant local issues.

Performance Indicators: At least 20 recent articles reviewed; a validated conceptual model.

Responsible Parties: Principal investigator and team members specializing in methodology.

Survey Instrument Development (May 2025)

Activities: Preparation of a survey questionnaire as the main data collection instrument, focusing on the variables of business mentoring, product innovation, community involvement, tourism attractiveness, and MSME sustainability.

Output: A complete and well-structured initial survey questionnaire.

Performance Indicators: Completion of a draft instrument with detailed indicators.

Responsible Parties: Principal investigator and methodological experts.

Instrument Validation by Experts (June 2025)

Activities: Validation of the survey instrument by academic experts and practitioners to ensure its relevance, accuracy, and reliability in measuring the studied variables.

Output: A validated survey instrument.

Performance Indicators: Revisions to the instrument based on expert feedback.

Responsible Parties: Methodological experts on the research team and external academic experts.

Survey Instrument Revision (June 2025)

Activities: Revision of the survey instrument based on expert validation to ensure alignment with field conditions and ease of use by respondents.

Output: A finalized survey questionnaire ready for use.

Performance Indicators: A final questionnaire revised and approved by the expert team.

Responsible Parties: Methodological team members and the principal investigator.

Survey Questionnaire Distribution (July–August 2025)

Activities: Distribution of survey questionnaires both online and in person to respondents selected through purposive sampling. Data collection will be conducted using structured questionnaires developed based on the research variable indicators. The questionnaires will be distributed online through digital forms and offline through direct visits to Chinese culture based MSME centers in Tangerang City. The data collection period will run from July to September 2025, targeting MSME actors engaged in handicrafts, culinary businesses, and creative products rooted in Chinese culture.

Output: Primary data from relevant respondents.

Performance Indicators: At least 240 valid respondents completing the questionnaire in full.

Responsible Parties: Field team members and local partners from the creative industry community.

Field Data Collection (September–October 2025)

Activities: Data collection will be carried out with regular monitoring to ensure the completeness and accuracy of the information gathered from respondents.

Output: A complete and high-quality dataset.

Performance Indicators: Survey data from at least 240 respondents meeting data validity requirements.

Responsible Parties: Field team members and local enumerators.

Data Analysis with SEM-PLS (November 2025)

Activities: The collected data will be analyzed using SmartPLS software to test the validity and reliability of the instrument, as well as the structural relationships among variables in the conceptual model.

Output: A validated SEM-PLS model.

Performance Indicators: Validity values (loading factor > 0.70) and reliability values (Cronbach's alpha & composite reliability > 0.70).

Responsible Parties: Statistical and data analysis experts on the research team.

Interpretation of Research Findings and Policy Recommendation Development (December 2025)

Activities: Interpretation of SEM-PLS analysis results, covering both theoretical and practical implications, as well as the development of policy recommendations for stakeholders to support the sustainability of Chinese culture based MSMEs in Tangerang City.

Output: Draft scientific article and policy recommendations.

Performance Indicators: Availability of an initial draft of the scientific article and policy recommendations.

Responsible Parties: Principal investigator, management experts on the team, and academic partners.

The collected data were processed using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) with the aid of SmartPLS 4.0 software. The analysis was conducted in two main stages. First, in the measurement model testing stage (outer model), convergent validity was evaluated based on outer loading values (>0.70) and Average Variance Extracted (AVE) (>0.50), while discriminant validity was tested using the Fornell-Larcker criterion. In addition, construct reliability was measured through Cronbach's Alpha and Composite Reliability, with the acceptance threshold set above 0.70. Second, in the structural model testing stage (inner model), model quality was assessed using R² and Q² values to examine predictive strength. The significance of the relationships among variables was analyzed using the bootstrapping method with 5,000 resamples to obtain t-statistic and p-value values. A hypothesis was accepted if the t-statistic exceeded 1.96 with a 5% significance level (p-value < 0.05).

Furthermore, hypothesis testing focused on analyzing the direct effects of Business Mentoring, Cultural Product Innovation, and Community Engagement on MSME Sustainability, as well as the indirect effects through the mediating variable of Tourism Attractiveness. With this approach, the study was not only able to empirically identify the relationships among variables but also provided a more comprehensive understanding of the strength and direction of the effects that support the sustainability of Chinese culture based MSMEs in Tangerang City.

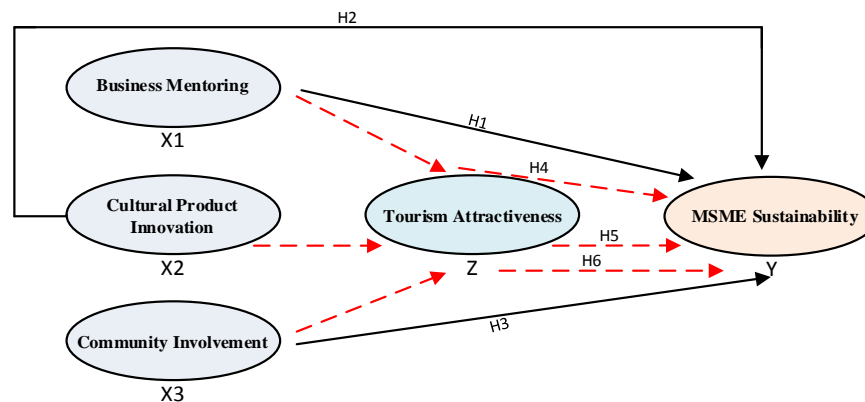


Figure 3. Research Process 2025

Based on the research problems and variables established, the following hypotheses are proposed:

- H1: Business Mentoring has a positive effect on MSME Sustainability in the Chinese culture based creative industry.
- H2: Cultural Product Innovation has a positive effect on MSME Sustainability in the Chinese culture based creative industry.
- H3: Community Engagement has a positive effect on MSME Sustainability in the Chinese culture based creative industry.
- H4: Business Mentoring has a positive effect on MSME Sustainability in the Chinese culture based creative industry, mediated by Tourism Attractiveness.
- H5: Cultural Product Innovation has a positive effect on MSME Sustainability in the Chinese culture based creative industry, mediated by Tourism Attractiveness.
- H6: Community Engagement has a positive effect on MSME Sustainability in the Chinese culture based creative industry, mediated by Tourism Attractiveness.

Table 1. Operational Variables

| Variable | Indicators |
|------------------------------------|--|
| Business Mentoring | <ol style="list-style-type: none"> 1. Mentoring programs (Radyanto & Prihastono, 2020) 2. Level of involvement of local communities (Harini et al., 2023) 3. MSME participation in community activities (Harini et al., 2023) 4. Development of managerial capacity (Radyanto & Prihastono, 2020) 5. MSME access to market information (Ningtyas & Kusuma, 2024) 6. MSME access to partnership opportunities (Ningtyas & Kusuma, 2024) |
| Cultural Product Innovation | <ol style="list-style-type: none"> 1. Uniqueness of cultural products produced (Wirsa, 2024) 2. Use of Chinese cultural elements in products (Aisyah & Aulia, 2024) 3. Marketing of products based on local culture (Fikien et al., 2021) 4. Creativity in packaging (Surianti et al., 2021) 5. Quality of raw materials used (Adeliani et al., 2023) 6. Innovation in introducing cultural products (Adeliani et al., 2023) |
| Community Involvement | <ol style="list-style-type: none"> 1. Community participation in cultural festivals and events (Husen & Putri, 2023) 2. Digital and offline promotion (Isnawati, 2022) 3. Collaboration with tourism stakeholders (Haerul et al., 2024) 4. Community involvement in product development (Mulyasari et al., 2024) 5. Partnerships with local cultural organizations (Samili et al., 2023) |
| Tourism Attractiveness | <ol style="list-style-type: none"> 1. Number of tourist visits (Darnita, 2024) 2. Tourist satisfaction with experiences (Prakoso et al., 2020) 3. Increasing popularity of tourist destinations (Deliana et al., 2024) 4. Unique cultural tourism experiences (Andiansyah et al., 2025) 5. Diversity of tourism activities (Nugraha et al., 2023) |
| MSME Sustainability | <ol style="list-style-type: none"> 1. Increased revenue (Suleman & K. Thalib, 2024) 2. Ability to adapt to market trends (Suleman & K. Thalib, 2024) 3. Independent business management (Rachman et al., 2022) |

4. Business stability (Nasution et al., 2022)
5. Innovation capacity in managing resources (Istamarina et al., 2025)
6. Ability to improve efficiency (Damayanti et al., 2023)

Table 1 illustrates the indicators used to measure various variables related to the development of MSMEs in the context of cultural products and tourism attractiveness. Each variable such as Business Mentoring, Cultural Product Innovation, Community Involvement, Tourism Attractiveness, and MSME Sustainability is measured using several more specific indicators. For instance, the indicators for Business Mentoring include mentoring programs, the level of local community involvement, and MSME access to market information and collaboration opportunities. For Cultural Product Innovation, the indicators cover the uniqueness of cultural products, the use of Chinese cultural elements, and creativity in product packaging. Each indicator carries a weight or value that reflects its degree of influence on the variable being measured. This table provides a clear overview of how each variable is assessed through a set of relevant and measurable indicators, which can be used to evaluate the progress and impact of culture based MSME development programs.

IV. RESULTS AND DISCUSSION

All variables in this study were organized into a questionnaire, which was then broken down into indicators relevant to the research. The questionnaire was administered using a self-rating approach, whereby respondents completed the questionnaire based on their own perceptions of themselves or the conditions within the MSMEs they managed or supported. The measurement scale applied in this study is an ordinal scale ranging from 1 to 5. This scale was used to measure respondents' attitudes or responses to the statements contained in the questionnaire, which are related to the empowerment of Chinese culture based MSMEs, product innovation, community involvement, and other associated factors.

In this ordinal scale, scores of 1 to 2 indicate that respondents disagree with the given statements, where 1 means strongly disagree and 2 means disagree. A score of 3 on this scale indicates that respondents hold a neutral or indifferent stance toward the statements in the questionnaire, showing neither agreement nor disagreement. On the other hand, scores of 4 and 5 reflect agreement with the statements, where 4 means agree and 5 means strongly agree. This measurement scale is designed to capture respondents' perceptions and attitudes regarding various factors influencing the sustainability of Chinese culture based MSMEs in Tangerang City, such as business mentoring, culture based product innovation, community involvement, and the attractiveness of cultural tourism.

Table 2. Respondent Demographics

| Category | Description | Percentage (%) |
|------------------|----------------------------------|----------------|
| Gender | Male | 56.20% |
| | Female | 43.80% |
| Age | Under 25 years | 9.60% |
| | 26–35 years | 28.00% |
| | 36–45 years | 34.40% |
| | 46–55 years | 18.50% |
| | Above 55 years | 9.60% |
| Education | Below Junior High School | 9.40% |
| | Senior High School or Equivalent | 28.10% |

| | | |
|--|---------------------------------|--------|
| | Bachelor's Degree or Equivalent | 62.50% |
|--|---------------------------------|--------|

The Respondent Demographics Table presents the distribution of respondent characteristics based on gender, age, and education. A total of 56.2% of respondents are male, while 43.8% are female. In terms of age, the majority of respondents fall within the 36–45 age group (34.4%), followed by the 26–35 age group (28.0%). A smaller proportion of respondents belong to the under-25 and above-55 age groups, each accounting for 9.6%. Regarding education level, most respondents hold at least a bachelor's degree or its equivalent (62.5%), followed by respondents with a senior high school education or its equivalent (28.1%), and only a small proportion have education below junior high school level (9.4%). This table provides a clear overview of the demographic profile of the respondents in this study.

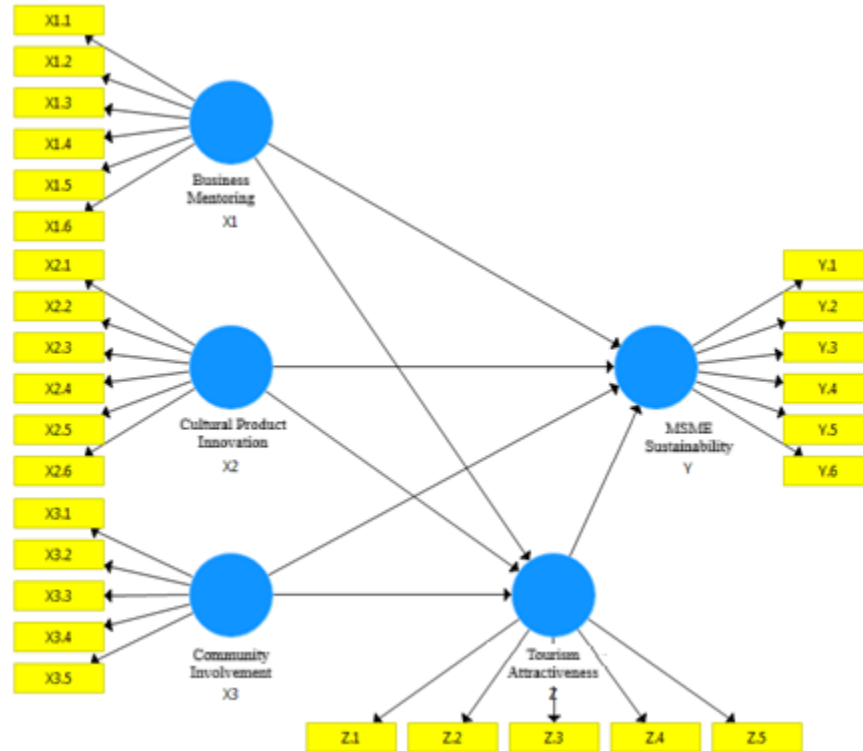


Figure 4. Research Model

The variables in this study are measured through specific dimensions designed to capture various aspects of the development of culture based MSMEs. Business Mentoring (X1) is measured through two dimensions: Strategic Mentoring, which includes mentoring programs, local community involvement, and MSME participation in community activities; and Operational Mentoring, which covers managerial capacity building, MSMEs' access to market information, and opportunities for collaboration. Cultural Product Innovation (X2) is measured through two dimensions: Traditional Product Innovation, which consists of cultural product uniqueness, the use of Chinese cultural elements, and marketing of locally based cultural products; and New Product Innovation, which involves creativity in packaging, product raw material quality, and innovation in introducing cultural products. Community Involvement (X3) is measured through the dimension of Social Engagement, which includes participation in cultural festivals, digital and offline promotion, collaboration with tourism stakeholders, involvement in product development, and partnerships with local cultural organizations. Tourism Attractiveness (Z) is measured through the dimension of Cultural Tourism Appeal, which consists of the number of tourist visits, visitor satisfaction with experiences, increased popularity of tourist destinations, uniqueness of cultural

tourism experiences, and diversity of tourism activities. Finally, MSME Sustainability (Y) is measured through two dimensions: Economic Sustainability, which includes revenue growth, adaptability to market trends, and independent business management; and Social Sustainability, which consists of business stability, innovation capacity in resource management, and improved efficiency.

In this study, the outer model analysis was used to evaluate the extent to which the indicators represent the latent constructs, such as business mentoring, cultural product innovation, community involvement, tourism attractiveness, and MSME sustainability. Convergent validity was tested through outer loading and Average Variance Extracted (AVE), with values above 0.70 and 0.50 serving as validity criteria. Construct reliability was measured using Composite Reliability (CR) and Cronbach's Alpha, both with thresholds greater than 0.70. Discriminant validity was tested using the Fornell-Larcker Criterion. The results of this evaluation ensure that the model is ready for inner model analysis and provide a robust foundation for testing the relationships among variables.

Table 3. Outer Loading

| Items | Outer Loading | Information |
|--------------|----------------------|--------------------|
| X1.1 | 0.851 | Valid |
| X1.2 | 0.884 | Valid |
| X1.3 | 0.875 | Valid |
| X1.4 | 0.840 | Valid |
| X1.5 | 0.868 | Valid |
| X1.6 | 0.893 | Valid |
| X2.1 | 0.863 | Valid |
| X2.2 | 0.872 | Valid |
| X2.3 | 0.855 | Valid |
| X2.4 | 0.848 | Valid |
| X2.5 | 0.887 | Valid |
| X2.6 | 0.890 | Valid |
| X3.1 | 0.875 | Valid |
| X3.2 | 0.856 | Valid |
| X3.3 | 0.864 | Valid |
| X3.4 | 0.892 | Valid |
| X3.5 | 0.889 | Valid |
| Z.1 | 0.880 | Valid |
| Z.2 | 0.862 | Valid |
| Z.3 | 0.893 | Valid |
| Z.4 | 0.875 | Valid |
| Z.5 | 0.900 | Valid |
| Y.1 | 0.890 | Valid |
| Y.2 | 0.871 | Valid |
| Y.3 | 0.882 | Valid |
| Y.4 | 0.864 | Valid |
| Y.5 | 0.896 | Valid |
| Y.6 | 0.871 | Valid |

This table presents the results of the outer loading analysis for each indicator in the research model. All outer loading values for the measured indicators ranging from Business Mentoring

(X1), Cultural Product Innovation (X2), Community Involvement (X3), and Tourism Attractiveness (Z), to MSME Sustainability (Y) are above the threshold value of 0.70. This indicates that all indicators are valid in representing their respective latent constructs. Thus, these results support the convergent validity of the model and confirm that the indicators used can be relied upon to accurately reflect the variables in this study.

The next step is to evaluate construct reliability using Cronbach's Alpha and Composite Reliability. A construct is considered reliable if both values exceed 0.70, indicating good internal consistency among the indicators. High reliability signifies that the variable is stable and ready for further analysis. The results of the reliability testing are presented in the following table to illustrate the robustness of the constructs in this research model.

Table 4. Cronbach's Alpha and Composite Reliability Values

| Variable | Composite Reliability | Cronbach's Alpha |
|---------------------------------|-----------------------|------------------|
| Community Involvement_X.3 | 0.905 | 0.853 |
| Tourism Attractiveness_Z | 0.915 | 0.883 |
| MSME Sustainability_Y | 0.916 | 0.888 |
| Business Mentoring_X.1 | 0.926 | 0.899 |
| Cultural Product Innovation_X.2 | 0.938 | 0.917 |

Table 4 presents the results of the reliability test using Composite Reliability and Cronbach's Alpha, with all values exceeding the threshold of 0.70, indicating good internal consistency among the indicators. Specifically, the variables in this study demonstrate high Composite Reliability and Cronbach's Alpha values: Community Involvement (0.905, 0.853), Tourism Attractiveness (0.915, 0.883), MSME Sustainability (0.916, 0.888), Business Mentoring (0.926, 0.899), and Cultural Product Innovation (0.938, 0.917). These results confirm that all variables are reliable and ready for further analysis.

The hypotheses in this study examine the effects of Business Mentoring (X1), Cultural Product Innovation (X2), and Community Involvement (X3) on MSME Sustainability (Y), both directly and through Tourism Attractiveness (Z) as a mediating variable. The study also evaluates the influence of the independent variables on Tourism Attractiveness (Z). The R-square values obtained from the analysis using SmartPLS 3.0 are employed to measure the contribution of the independent constructs in explaining the variance of the dependent and mediating constructs, with the R-square test results presented in a table to evaluate the model's predictive quality.

Table 5. R-Square Values

| | R Square | R Square Adjusted |
|--------------------------|----------|-------------------|
| Tourism Attractiveness_Z | 0.689 | 0.678 |
| MSME Sustainability_Y | 0.743 | 0.735 |

The results of the R Square and Adjusted R Square testing indicate that this model demonstrates good predictive power. For Tourism Attractiveness (Z), the R Square value of 0.689 and Adjusted R Square of 0.678 explain 68.9% of its variance. Meanwhile, for MSME Sustainability (Y), the R Square value of 0.743 and Adjusted R Square of 0.735 account for 74.3% of its variance. These findings suggest that the model possesses strong predictive capability, providing a relatively high level of explanatory power for both dependent variables.

Table 6. Path Coefficient Value and T-Statistic

| | Original Sample (O) | T Statistics (O/STDEV) | P Values | Information |
|---|---------------------|--------------------------|----------|-------------|
| Business Mentoring (X1) → MSME Sustainability (Y) | 0.215 | 3.452 | 0.001 | Valid |

| | | | | |
|---|-------|-------|-------|-------|
| Cultural Product Innovation (X2) → MSME Sustainability (Y) | 0.198 | 2.910 | 0.004 | Valid |
| Community Involvement (X3) → MSME Sustainability (Y) | 0.230 | 3.120 | 0.002 | Valid |
| Business Mentoring (X1) → Tourism Attractiveness (Z) → MSME Sustainability (Y) | 0.071 | 2.150 | 0.032 | Valid |
| Cultural Product Innovation (X2) → Tourism Attractiveness (Z) → MSME Sustainability (Y) | 0.069 | 2.120 | 0.034 | Valid |
| Community Involvement (X3) → Tourism Attractiveness (Z) → MSME Sustainability (Y) | 0.077 | 2.180 | 0.029 | Valid |

Table 6 presents the results of the path coefficient and T-statistic testing to examine the relationships among variables in the research model. All tested relationships show positive and significant coefficients with p-values below 0.05, indicating that the research hypotheses are accepted. Specifically, Business Mentoring (X1), Cultural Product Innovation (X2), and Community Engagement (X3) each exert a positive influence on MSME Sustainability (Y), with T-statistics greater than 2 and p-values of 0.001, 0.004, and 0.002, respectively. Moreover, the indirect effects through Tourism Attractiveness (Z) are also significant, as the relationships from Business Mentoring (X1), Cultural Product Innovation (X2), and Community Engagement (X3) to MSME Sustainability (Y) via Tourism Attractiveness (Z) yield T-statistics greater than 2 and p-values of 0.032, 0.034, and 0.029, all of which are accepted. These findings demonstrate that the effects are significant both directly and through the mediating variable.

Interpretation of Research Findings

The results of this study indicate that Business Mentoring has a significant positive effect on the Sustainability of Chinese culture based MSMEs, consistent with the Resource-Based View theory, which emphasizes the importance of strategic support in enhancing the internal capabilities of MSMEs. This finding aligns with previous research showing that mentoring programs can improve operational efficiency, product innovation, and business stability of MSMEs. (Ningtyas & Kusuma, 2024). Specialized mentoring, such as training in product design adaptation and marketing strategies based on local wisdom, also helps MSMEs preserve cultural uniqueness while achieving sustainable growth (Suleman & K. Thalib, 2024). Therefore, the hypothesis that Business Mentoring has a positive effect on the Sustainability of MSMEs in the Chinese cultural-based creative industry is accepted, reinforcing the importance of systematic mentoring programs as a key driver of sustainability and growth for culture based MSMEs (Radyanto & Prihastono, 2020).

The results of this study indicate that Cultural Product Innovation has a significant positive effect on the Sustainability of Chinese cultural-based MSMEs, consistent with the Diffusion of Innovations Theory (Aisyah & Aulia, 2024), which states that the adoption of new products enhances competitiveness and business sustainability. Research by Fikien et al. (2021) menfound that MSMEs integrating local cultural elements into product design can attract broader market interest and maintain long-term market share. Furthermore, Adeliyani et al. (2023) demonstrated that innovation in packaging and product features that highlight cultural uniqueness enhances consumer value perception and customer loyalty. In the context of Chinese culture, innovations such as packaging with traditional motifs and the inclusion of historical narratives on product

labels strengthen cultural identity and create sustainable differentiation. Therefore, the hypothesis that “Cultural Product Innovation has a positive effect on the Sustainability of MSMEs in the Chinese cultural-based creative industry” is accepted, emphasizing the importance of innovation in design, packaging, and cultural product features as key drivers of the continuity and growth of MSMEs in the cultural creative sector.

The results of this study indicate that Community Involvement has a significant positive effect on the Sustainability of Chinese cultural-based MSMEs, in line with Social Capital Theory (Isnawati, 2022), which emphasizes the role of social networks and collective trust in supporting business growth. Research by Haerul et al. (2024) shows that active community participation in cultural festivals and promotional activities enhances the visibility of MSME products and customer loyalty. Additionally, Samili et al. (2023) found that collaboration between SMEs and local community organizations facilitates access to new markets and expands distribution networks, thereby enhancing income stability. In the Chinese cultural context, joint activities such as cultural exhibitions and craft workshops strengthen cultural identity while simultaneously creating economic value. Thus, the hypothesis that “Community Engagement positively influences the Sustainability of SMEs in the Chinese culture based creative industry” is accepted, affirming the importance of synergy between SMEs and local communities as a key pillar of business sustainability.

The mediation results indicate that Business Mentoring strengthens the Sustainability of Chinese culture based SMEs through the enhancement of Tourism Attractiveness, thereby supporting the Destination Competitiveness Theory. These findings are consistent with the study by Husen & Putri (2023) which demonstrated that destination management training and cultural tourism packages attract more tourists and increase SME revenues. Furthermore, Prakoso et al. (2020) found that improving tourism facilities and collaborative promotions expands SME markets and creates new distribution channels. Thus, the mediation of Tourism Attractiveness underscores the importance of an integrated strategy between business mentoring and the development of cultural attractions for SME sustainability. Therefore, the hypothesis that “Business Mentoring positively influences the Sustainability of SMEs in the Chinese culture based creative industry, mediated by Tourism Attractiveness” is accepted.

The mediation analysis results show that Cultural Product Innovation enhances the Sustainability of Chinese culture based SMEs both directly and through the improvement of Tourism Attractiveness, aligning with the Experience Economy Theory, which posits that cultural product innovation adds experiential value for tourists (Andiansyah et al., 2025). Prakoso et al. (2020) found that interactive elements such as Chinese craft-making demonstrations and cultural storytelling in product packaging increase tourist interest, thereby strengthening SME business continuity. Furthermore, Istamarina et al. (2025) reported that cultural product innovation in tourism packages, such as bundling ceramic souvenirs with culinary tours, expands markets and increases SME revenues. Therefore, the hypothesis that “Cultural Product Innovation positively influences the Sustainability of SMEs in the Chinese culture based creative industry, mediated by Tourism Attractiveness” is accepted, underscoring the importance of product innovation strategies integrated with the development of cultural tourism attractions.

The mediation analysis results indicate that Community Engagement enhances the Sustainability of Chinese culture based SMEs both directly and through the strengthening of Tourism Attractiveness, in line with Social Capital Theory, which emphasizes the importance of social networks in supporting local business growth (Nasution et al., 2022). Wirsa (2024) demonstrated that community collaboration in cultural festivals increases tourist visits, thereby

boosting SME product sales. Additionally, Adeliyani et al. (2023) reported that community involvement in the development of Chinese heritage tours extends visitor stays and encourages purchases at SME sites, positively impacting income stability. Thus, Tourism Attractiveness acts as a mediator that reinforces the effect of Community Engagement on SME Sustainability. Therefore, the hypothesis that “Community Engagement positively influences the Sustainability of SMEs in the Chinese culture based creative industry, mediated by Tourism Attractiveness” is accepted, affirming the significance of synergy between local communities and the development of cultural tourism attractions.

V. CONCLUSION

This study confirms that Business Mentoring, Cultural Product Innovation, and Community Engagement have a positive and significant influence on the Sustainability of Chinese culture based SMEs in Tangerang City. The contribution of each variable to business resilience and growth is 21.5% for Business Mentoring, 19.8% for Cultural Product Innovation, and 23.0% for Community Engagement. Moreover, Tourism Attractiveness is shown to partially mediate these relationships, with an R^2 value of 0.689 for Tourism Attractiveness and 0.743 for SME Sustainability, indicating that the research model explains nearly 69% of the variance in tourism perception and 74% in business resilience. These findings underscore the importance of interventions that integrate managerial capacity, culture based innovation, and strengthened social networks, alongside the development of cultural attractions such as destination training and cultural festivals, to reinforce SME sustainability.

Based on the findings and limitations of this study, several policy recommendations and practical initiatives can be proposed. First, the effectiveness of business mentoring should be enhanced through the development of more standardized and personalized training modules, as well as the implementation of a blended learning approach that integrates face-to-face training, online mentoring, and performance indicator-based evaluations. Second, cultural product innovation should be strengthened by leveraging e-commerce and social media data, alongside agile product-market fit testing to ensure product relevance to consumer needs. Third, community engagement can be expanded through formal partnerships with cultural associations, tourism stakeholders, and the application of co-creation models in organizing cultural events.

In addition, from a public policy perspective, local governments can develop community-based business mentoring programs that focus on digital literacy and access to financing, facilitate creative incubators for cultural products, and institutionalize community involvement in promoting cultural tourism through festivals and annual tourism agendas. Cross-sector partnerships with universities, community organizations, and the private sector are also essential to strengthening the ecosystem of culture based SMEs.

For future research development, it is recommended to employ a longitudinal design and in-depth interviews to monitor the dynamics of business sustainability indicators and to better understand non-quantitative factors that also influence the continuity of SMEs. By implementing these recommendations, Chinese culture based SME empowerment programs can be developed in a more holistic, sustainable, and contextual manner, thereby not only strengthening local economic competitiveness but also preserving the cultural identity that characterizes Tangerang City.

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