

ABSTRACT

The Indonesian local fashion industry has been growing rapidly, driven by increasing consumer awareness of local products, government support for SMEs, and the advancement of digital technology. However, local brands such as *Pumpkinmuffin.co* still face significant challenges, including intense competition, fluctuating revenues, and limited innovation in product design and digital infrastructure. This phenomenon highlights the need for adaptive business development strategies to ensure business sustainability.

This study aims to formulate sustainable business development strategies for *Pumpkinmuffin.co* by analyzing the company's internal and external factors. It also focuses on determining strategic priorities that can enhance competitiveness through a resource-based approach and digital innovation, while providing strategic recommendations that align with current market dynamics.

This research uses a mixed-method approach (qualitative and quantitative) with a case study design. Qualitative data were obtained through interviews, observations, and documentation, while quantitative data were analyzed using IFE, EFE, SWOT, IE Matrix, and QSPM. Purposive sampling was employed to select internal (owner) and external respondents (consumers, competitors, academics), providing a comprehensive basis for strategy formulation.

The analysis revealed that *Pumpkinmuffin.co* possesses strengths in product quality, production efficiency, customer loyalty, and active use of social media. External opportunities include the growing trend of online fashion and government support for SMEs. Based on the QSPM results, the most feasible strategic priority is strengthening digital marketing through the optimal use of social media platforms, particularly Instagram, accompanied by product innovation.

This study concludes that the success of local brands in facing fashion industry competition depends on integrating internal strengths with digital technology utilization. Strategies based on internal resources and digital innovation prove to be relevant for enhancing competitiveness and achieving sustainable business growth. The recommendations provided in this study can serve as a reference for other local brands in designing sustainable development strategies.

Keywords: business strategy, local brand, digital innovation, internal resources, QSPM, sustainable business, Pumpkinmuffin.co