

Local Fashion Enterprises Innovation Strategies Based on Generation Z Preferences and Thrift Competition in Denpasar

Ni Putu Lisna Ardityawati^{1*}, Made Adi Suwandana², Nyoman Dwika Ayu Amrita³

Universitas Ngurah Rai, Bali, Indonesia^{1,2,3}

lisna.arditya30@gmail.com^{1*}, suwandana@unr.ac.id², dwika.ayu@unr.ac.id³



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Abstract

Purpose: This study aims to analyze business model innovation strategies of local fashion MSMEs in improving competitiveness against imported thrift products based on Generation Z preferences and purchasing power in Denpasar City. The study addresses the increasing competitive pressure faced by local fashion businesses due to the growing popularity of imported thrift products among young consumers.

Research Methodology: This study employs a descriptive qualitative approach. Data were collected through semi-structured interviews with local fashion MSME owners and Generation Z consumers in Denpasar City. Informants were selected using purposive sampling based on specific criteria, and data collection was conducted until reaching data saturation. The data were analyzed using thematic analysis to identify patterns related to consumer preferences, purchasing behavior, and business innovation strategies.

Results: The findings indicate that Gen Z purchasing decisions are influenced by price, product quality, design uniqueness, local identity, and storytelling value. Although thrift products offer affordability, local fashion MSMEs can strengthen competitiveness through product innovation, digital marketing, customer relationship management, customization services, and cultural-based branding strategies.

Conclusions: Business model innovation enables local fashion MSMEs to compete beyond price advantages by creating differentiated value through identity, exclusivity, and consumer experiences.

Limitations: This study is limited by its qualitative approach and focus on MSMEs and Gen Z consumers in Denpasar City, which may restrict broader generalization.

Contribution: This study contributes to the literature by providing insights into how local fashion MSMEs develop adaptive innovation strategies to respond to thrift market competition and changing consumer preferences.

Keywords: *Business Model Innovation, Competitiveness, Fashion MSMEs, Generation Z, Thrift Products*

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1. Introduction

The fashion industry in Indonesia has experienced significant development in line with changing lifestyles and consumption patterns, particularly among younger generations. Generation Z (Gen Z) has become a dominant market segment in the fashion industry due to its adaptability to trends, high engagement with social media, and strong preference for identity and self-expression. However, despite these opportunities, local fashion Micro, Small, and Medium Enterprises (MSMEs) face serious challenges due to the increasing popularity of imported thrift products, particularly among Gen Z consumers in urban areas such as Denpasar City.

Recent data indicate a substantial increase in the volume of imported used clothing entering Indonesia. The volume increased from approximately 7 tons in 2021 to 12 tons in 2022, reaching around 3,600 tons in 2024 and 1,800 tons by August 2025. This rapid growth reflects increasing market penetration of imported second-hand clothing, which has raised concerns regarding its potential impact on domestic fashion businesses, particularly small-scale local producers ([Kemenkop UKM, 2025](#)). Local fashion MSMEs face increasing competitive pressure because imported thrift products are often offered at lower prices than newly produced local fashion items, making it more difficult for local businesses to compete in terms of pricing.

Imported thrift products have become increasingly attractive to Gen Z consumers due to their affordability, unique designs, and association with sustainable consumption through reuse practices. Previous studies highlight that young consumer increasingly consider economic value, uniqueness, and environmental awareness when making fashion purchase decisions ([Brydges et al., 2021](#); [McNeill & Venter, 2019](#)). The price sensitivity and purchasing power limitations of Gen Z have contributed to the growing preference for thrift products compared with newly produced local fashion products. This trend creates significant competitive pressure for local fashion MSMEs, including those operating in Denpasar City.

To address these challenges, local fashion MSMEs need to develop business model innovation strategies. Business model innovation refers to the renewal of how firms create, deliver, and capture value to achieve sustainable competitiveness ([Teece, 2018](#)). For MSMEs, business model innovation is essential for adapting to dynamic market conditions, changing consumer preferences, and increasing digital competition ([Foss & Saebi, 2017](#)). Through innovation in products, marketing channels, customer engagement, and value propositions, local fashion MSMEs can strengthen differentiation and enhance their competitive position.

Denpasar City, as the economic and creative center of Bali Province, has unique market characteristics shaped by strong local cultural identity and high exposure to global fashion trends. These conditions provide opportunities for local fashion MSMEs to develop differentiated products based on cultural values and creative innovation. However, without a comprehensive understanding of Gen Z preferences and purchasing power, business strategies may fail to address actual consumer needs. Therefore, understanding Gen Z consumption behavior is crucial for designing effective innovation strategies for local fashion MSMEs.

Theoretically, business model innovation is required because local fashion MSMEs cannot rely only on price competition when facing imported thrift products. Innovation enables firms to redesign value creation, delivery mechanisms, and consumer engagement strategies by emphasizing product uniqueness, cultural identity, digital capability, and customer experience. Therefore, examining business model innovation provides an explanation of how local fashion MSMEs adapt their strategies to maintain competitiveness amid changing Gen Z preferences and thrift market competition ([Clauss, 2017](#)).

Although previous studies have extensively examined MSME innovation and Gen Z consumer behavior, research specifically investigating business model innovation strategies of local fashion MSMEs in responding to imported thrift competition remains limited, particularly in urban contexts such as Denpasar City. Therefore, this study aims to analyze business model innovation strategies of

local fashion MSMEs in improving competitiveness against imported thrift products based on Gen Z preferences and purchasing power in Denpasar City. This study is expected to provide theoretical and practical contributions to strengthening the competitiveness of local fashion MSMEs amid increasing global market competition ([DeJonckheere & Vaughn, 2019](#)).

From a theoretical perspective, the competition between local fashion MSMEs and imported thrift products represents a dynamic market phenomenon involving changes in consumer behavior, value creation, and business adaptation. Previous studies on fashion consumption have primarily focused on sustainability, consumer attitudes, and purchasing intentions toward second-hand products. However, limited attention has been given to how local fashion businesses redesign their business models to respond to changing consumer preferences and competitive pressures from imported thrift markets. Therefore, examining business model innovation provides a broader perspective on how MSMEs create sustainable competitive advantages in rapidly changing markets ([Faeni, 2025](#)).

Furthermore, the increasing influence of digital platforms has transformed the way fashion businesses interact with consumers. Social media, e-commerce platforms, and digital branding strategies have become important mechanisms for MSMEs to build brand awareness, strengthen customer relationships, and communicate unique product values. For local fashion MSMEs, digital transformation provides opportunities to overcome limitations in market access and compete with imported thrift products by emphasizing authenticity, cultural identity, and personalized consumer experiences. Understanding how MSMEs integrate digital capabilities with business model innovation is therefore essential in explaining their ability to survive and grow in competitive environments([Hermansyah, Alie, CN, Oktaria, & Megasari, 2025](#)).

In addition, the preference of Gen Z consumers for affordable yet meaningful fashion products highlight the importance of value-based competition rather than price-based competition alone. Local fashion MSMEs need to identify factors that influence Gen Z purchasing decisions, including product uniqueness, sustainability attributes, cultural representation, and emotional connections with brands. By exploring these aspects, this study provides insights into how local fashion MSMEs can develop adaptive strategies that align with consumer expectations while preserving local identity. Thus, this research contributes to the development of MSME strategy literature by connecting business model innovation, consumer behavior, and competitive advantage within the context of local fashion industries facing imported thrift competition.

2. Literature Review

2.1 Business Model Innovation and Competitiveness of Local Fashion MSMEs

Business model innovation has become an important strategy for MSMEs to survive in increasingly competitive markets. Unlike conventional business improvements that focus only on operational efficiency, business model innovation emphasizes how firms create, deliver, and capture value through new approaches in products, customer relationships, marketing channels, and revenue mechanisms ([Foss & Saebi, 2017](#)). For MSMEs operating in dynamic industries such as fashion, innovation is essential because consumer preferences, market trends, and competitive structures continue to change rapidly.

Previous studies indicate that innovation capability plays a critical role in strengthening MSME competitiveness. Innovation enables businesses to adapt to changing consumer demands, utilize digital platforms, and develop new strategies to maintain market positions. Research by [Creswell and Poth \(2020\)](#) shows that innovation functions as a strategic mechanism connecting managerial capability with competitive advantage among MSMEs. [Maulana, Novalia, Sari, Rosa, and Yuliansyah \(2024\)](#) found that market orientation and entrepreneurial orientation contribute to MSME performance by strengthening competitive advantage.

In the fashion industry, innovation is particularly important because consumers increasingly seek products that provide uniqueness, identity, and emotional value. Local fashion MSMEs must develop differentiation strategies through product innovation, branding, cultural identity, and digital

engagement to compete with imported thrift products. Studies on fashion MSMEs demonstrate that product innovation, market orientation, and social media utilization significantly contribute to business performance by expanding market reach and strengthening customer relationships ([Kristianto, Gitama, & Suwandi, 2025](#)).

Digital transformation has further expanded the scope of business model innovation among MSMEs by enabling firms to utilize digital platforms, data-driven marketing, and online customer engagement strategies ([Matarazzo, Penco, Profumo, & Quaglia, 2021](#)). In the fashion sector, digital capabilities allow small businesses to improve market accessibility, respond quickly to consumer trends, and create stronger brand relationships through social media and e-commerce channels. These digital practices are particularly relevant for Gen Z consumers, who are highly connected to online environments and often discover fashion products through digital platforms ([Vial, 2019](#)). Therefore, integrating digital transformation into business models can become an important strategy for local fashion MSMEs to enhance competitiveness against imported thrift products.

Furthermore, sustainable value creation has become an increasingly important dimension of innovation in the fashion industry. Consumers, particularly younger generations, are becoming more aware of environmental issues and increasingly consider sustainability attributes when purchasing fashion products. Local fashion MSMEs can leverage this trend by developing products that combine local cultural values, ethical production processes, and sustainable practices. Such strategies enable businesses to create differentiated value propositions beyond price competition and strengthen emotional connections with consumers ([Diddi, Yan, Bloodhart, Bajtelsmit, & McShane, 2019](#); [Kautish, Sharma, & Khare, 2021](#)). Thus, business model innovation that integrates digital capability, sustainability, and consumer-oriented strategies becomes essential for local fashion MSMEs in building long-term competitive advantage.

2.2 Gen Z Fashion Preferences and Thrift Consumption Behavior

Generation Z has become one of the most influential consumer groups in the fashion industry due to its strong engagement with digital platforms, sensitivity to price, and preference for products that represent personal identity. Previous research suggests that Gen Z consumers evaluate fashion products not only based on functional value but also based on affordability, uniqueness, sustainability, and social meaning ([McNeill & Venter, 2019](#)). The increasing popularity of thrift fashion reflects changes in young consumers' consumption patterns toward affordable and sustainable alternatives. Second-hand fashion products attract Gen Z because they provide economic benefits while supporting environmentally conscious consumption through reuse practices ([Brydges et al., 2021](#)). However, the popularity of imported thrift products creates competitive pressure for local fashion MSMEs because these products often provide lower prices and distinctive designs. Therefore, understanding Gen Z preferences becomes essential for local fashion MSMEs in developing appropriate innovation strategies. Businesses that fail to understand consumer expectations may experience difficulties in competing with alternative fashion markets, while businesses that successfully adapt their value propositions can strengthen consumer loyalty and market competitiveness.

2.3 Digital Transformation and Marketing Innovation in MSMEs

Digital transformation has changed how MSMEs interact with consumers and compete in modern markets. Digital marketing platforms allow small businesses to increase brand awareness, communicate directly with consumers, and develop more personalized marketing strategies. For fashion MSMEs, social media has become an important tool for presenting product identity, building communities, and influencing consumer purchasing decisions ([Noh & Johnson, 2019](#)).

Research on MSMEs highlights that digital capabilities and marketing innovation contribute significantly to business sustainability. Goodwood studies indicate that marketing technology, product innovation, and digital capabilities are important factors supporting MSME development and competitiveness (Hermansya et al, 2025). Furthermore, electronic word-of-mouth (e-WOM) has become an important mechanism influencing consumer trust and purchase intentions, particularly in digital marketplaces ([Rohim, et al., 2025](#)).

The adoption of digital technologies also enables MSMEs to develop more agile and consumer-oriented business models ([Djafarova, 2022](#)). Through social media analytics, online customer feedback, and digital communication channels, businesses can better understand consumer preferences and adjust their products according to market changes. For fashion MSMEs, these capabilities are particularly important because fashion trends evolve rapidly and consumer expectations are strongly influenced by online interactions ([Ratten, 2016](#)). Digital platforms not only function as promotional tools but also serve as strategic mechanisms for value creation, customer relationship management, and market expansion ([Nambisan, 2017](#)).

Moreover, digital transformation contributes to strengthening brand differentiation and customer loyalty by enabling MSMEs to create interactive and personalized consumption experiences ([Oktaria, Raras, Alam, Barusman, & Habiburrahman, 2025](#)). In the fashion industry, where emotional attachment and brand identity significantly influence purchasing decisions, digital storytelling and online brand communities can help local businesses communicate their uniqueness and cultural values. This approach is increasingly relevant for competing with imported thrift products, as local MSMEs can emphasize authenticity, product narratives, and consumer engagement rather than competing solely based on price ([Kurniawan et al., 2024](#)). Therefore, integrating digital innovation with strategic branding becomes an important pathway for local fashion MSMEs to achieve sustainable competitiveness in increasingly digitalized markets.

2.4 Research Gap

Although previous studies have examined MSME innovation, digital marketing, and consumer behavior, limited research has specifically investigated how local fashion MSMEs develop business model innovation strategies to compete with imported thrift products. Existing studies mainly focus on MSME performance, digital adoption, or general innovation capability, while the integration between business model innovation, Gen Z preferences, and thrift competition remains underexplored ([Verhoef, 2021](#)). Therefore, this study contributes by analyzing how local fashion MSMEs in Denpasar develop innovation strategies based on Gen Z preferences and purchasing power to strengthen competitiveness against imported thrift products ([Iran et al., 2017](#)).

3. Research Methodology

This study employs a descriptive qualitative approach to obtain an in-depth understanding of local fashion MSME business model innovation strategy in improving competitiveness against imported thrift products, viewed from the preferences and purchasing power of Generation Z (Gen Z) in Denpasar City. A qualitative approach was selected because it enables researchers to explore the experiences, perceptions, and strategies of MSME actors and consumers within their contextual settings ([Creswell & Poth, 2020](#); [Guest et al., 2020](#)). The study was conducted in Denpasar City, Bali, which represents a center of local fashion MSME activities and a significant Gen Z consumer market. This location is relevant because interactions between local fashion businesses, emerging fashion trends, and imported thrift products occur actively in this area. The research was conducted in 2025.

3.1 Data Collection

Primary data were collected through semi-structured interviews using an interview guide covering several key aspects: First, Gen Z preferences toward fashion products, including price, quality, design, and brand image, second, Gen Z purchasing power and factors influencing purchase decisions and last, business model innovation strategies implemented by local fashion MSMEs and their perceptions regarding competition with imported thrift products.

The participants were selected using purposive sampling, which involves intentionally selecting informants based on specific criteria aligned with the research objectives ([Palinkas et al., 2015](#)). The informant criteria included local fashion MSME owners who had operated for at least two years and Gen Z consumers (born between 1997–2012) residing in Denpasar City who had purchased both local fashion products and imported thrift products. The number of informants was determined based on the principle of data saturation, where interviews were terminated when additional data no longer generated new themes or meaningful insights ([Guest et al., 2020](#)).

The interview process was conducted through direct interaction with selected informants to obtain comprehensive insights into the factors shaping fashion consumption behavior and business adaptation strategies (Foss et al., 2018). The semi-structured interview format provided flexibility for researchers to explore emerging issues during the discussion while maintaining consistency with the research objectives. The interview data were recorded, transcribed, and analyzed through thematic analysis to identify recurring patterns related to consumer preferences, purchasing considerations, innovation strategies, and competitive responses among local fashion MSMEs (Braun & Clarke, 2021).

The data analysis process involved several stages, including data familiarization, coding, theme development, review of emerging themes, and interpretation of findings. This analytical procedure was applied to ensure that the identified themes accurately represented the experiences and perspectives of both MSME actors and Gen Z consumers. Through this process, the study aimed to develop a contextual understanding of how local fashion MSMEs formulate innovation strategies to maintain competitiveness amid the increasing popularity of imported thrift products.

4. Results and Discussions

4.1 Generation Z Preferences and Purchasing Power

The interview findings reveal that Generation Z (Gen Z) has specific criteria and considerations when selecting fashion products, which influence purchasing decisions and perceptions toward local fashion MSMEs. The results indicate that purchasing decisions are not solely determined by price but also by product quality, design uniqueness, sustainability values, and emotional attachment associated with the product as presented in Table 1.

Table 1. Summary of themes and sub-themes generated from thematic analysis

Main Theme	Sub-theme	Key Findings
Gen Z Preferences	Price, quality, design, sustainability, identity	Purchase decisions are influenced by affordability and perceived value.
Business Model Innovation	Product innovation, digital marketing, customer relationship	MSMEs create differentiation beyond price competition.
Competitive Response	Storytelling, cultural identity, consumer experience	Local brands strengthen competitiveness through unique value creation.

4.1.1 Price and Purchasing Power

Price is one of the primary factors influencing Gen Z fashion purchasing decisions. Imported thrift products are often preferred due to their affordability; however, added value in terms of quality, unique design, and local identity can influence consumers' decisions to purchase local fashion products. One informant stated:

"If I can get unique clothes at an affordable price, I would probably choose thrift products. However, if local products have good quality and a distinctive Balinese identity, I would still buy them."

(Gen Z Consumer, 21 years old).

Several consumers emphasized that although their purchasing power is limited, they are willing to pay more for products that provide unique experiences or have meaningful stories behind them. This finding indicates that price is not the only determinant of purchasing decisions, as emotional value and aesthetic appeal also play important roles.

4.1.2 Product Quality and Materials

Product quality is another important consideration for Gen Z consumers. They tend to prefer local fashion products that are durable, comfortable, and made from high-quality materials. One informant explained:

"Sometimes thrift products are cheap, but the materials are thin. I prefer buying local products that last longer, even if they are slightly more expensive."

(Gen Z Consumer, 22 years old).

This finding suggests that local MSMEs can compete by emphasizing product durability and quality advantages rather than competing solely on price.

4.1.3 Design and Fashion Trends

Gen Z consumers pay considerable attention to product design and alignment with current fashion trends. Imported thrift products attract consumers because they often offer vintage styles, unique designs, and limited availability. However, local fashion products can remain competitive when they provide creative and distinctive designs. One informant stated:

"I like products that are unique and different from others. Local brands can compete if their designs are creative and not too common."

(Gen Z Consumer, 19 years old)

This finding highlights the importance of innovation and differentiation in helping local fashion MSMEs respond to changing consumer preferences.

4.1.4 Local Identity and Product Storytelling

Gen Z consumers also appreciate products that contain local identity and meaningful stories, such as Balinese motifs, traditional fabrics, or handmade production processes. These elements increase perceived product value and strengthen consumer attachment toward local brands. One informant stated:

"When a product has a story, such as Balinese motifs or handmade processes, it feels more valuable and makes me proud to wear it."

(Gen Z Consumer, 23 years old)

Overall, the findings indicate that Gen Z consumers are price-sensitive but continue to consider aesthetic value, authenticity, and purchasing experiences. This finding supports [Francis and Hoefel \(2018\)](#), who argue that Gen Z consumers emphasize value, authenticity, and meaningful experiences in their consumption behavior.

4.2 Business Model Innovation Strategies of Local Fashion MSMEs

Local fashion MSMEs implement various innovation strategies to improve competitiveness against imported thrift products. The findings identify four main dimensions of business model innovation: product innovation, marketing and distribution innovation, customer relationship innovation, and business model adaptation.

4.2.1 Product Innovation

Local fashion MSMEs develop innovative products by combining traditional local elements with modern designs and improving material quality. Several MSMEs also incorporate sustainability concepts to attract Gen Z consumers who increasingly value environmentally responsible products. One informant stated:

"We try to combine Balinese traditional patterns with modern designs so that young consumers are interested while the products still maintain local identity."

(Local Fashion MSME Owner 5)

Some MSMEs also implement limited-edition collections and customized designs to create product differentiation and strengthen their competitive advantage.

4.2.2 Marketing and Distribution Innovation

Local fashion MSMEs increasingly utilize digital platforms such as Instagram, TikTok, and e-commerce marketplaces as primary marketing and sales channels. In addition, pop-up stores are used to provide direct consumer experiences and strengthen brand interaction. One informant explained:

"Instagram is very helpful. When consumers can see the products directly through digital content, they become more confident in purchasing."

(Local Fashion MSME Owner 2)

Digital marketing strategies enable MSMEs to reach Gen Z consumers more effectively and respond quickly to emerging fashion trends.

4.2.3 Customer Relationship Innovation

MSMEs develop stronger relationships with consumers through direct communication on social media, customer feedback management, and customized product services. These approaches create personalized experiences and increase customer loyalty. One informant stated:

"When customers order customized products, they feel special and become more loyal to our brand."

(Local Fashion MSME Owner 7)

This finding demonstrates that relationship-based strategies can become an important competitive advantage for local fashion businesses.

4.2.4 Business Model Innovation

Beyond product and marketing strategies, MSMEs adopt broader business model innovations through collaborations with local influencers, promotional bundling, and product storytelling. These strategies aim to increase brand awareness and create emotional value that imported thrift products often lack. One informant stated:

"We create stories behind our products, such as the use of local materials and handmade processes. Gen Z appreciates products that are unique and different."

(Local Fashion MSME Owner 9)

The findings indicate that MSMEs implementing product innovation, digital marketing, customer engagement, and storytelling strategies are better positioned to strengthen competitiveness and consumer loyalty. This finding supports [Teece \(2018\)](#), who emphasizes that business model innovation enables firms to create and capture value in dynamic markets. Furthermore, integrating traditional cultural elements with contemporary fashion trends provides a unique selling proposition (USP) that helps local brands compete with imported thrift products ([Brydges et al., 2021](#)).

4.3 Competitive Perceptions toward Imported Thrift Products

Local fashion MSME actors acknowledge that imported thrift products have competitive advantages, particularly in terms of price affordability and design variety. However, the findings show that innovation strategies allow local fashion businesses to maintain competitiveness by emphasizing quality, authenticity, cultural identity, and customer experience.

One MSME owner stated:

"Thrift products may be cheaper, but they do not always have cultural value. Local products can compete through storytelling, quality, and exclusive designs."

(Local Fashion MSME Owner 3)

The findings indicate that Gen Z consumers tend to choose local products when they offer aesthetic value, meaningful stories, and personalized purchasing experiences, even when the prices are relatively higher. Therefore, differentiation strategies and product storytelling represent important approaches for local fashion MSMEs to compete with imported thrift products.

5. Conclusions

5.1 Conclusion

This study demonstrates that the increasing popularity of imported thrift products has become a significant challenge for local fashion MSMEs in Denpasar City, particularly due to their affordable prices and attractive design variations for Generation Z consumers. The findings reveal that Gen Z consumers are highly price-sensitive and have relatively limited purchasing power; however, their purchasing decisions are not determined solely by price. Additional value derived from product quality, unique designs, local identity, and product storytelling plays an important role in shaping Gen Z preferences and loyalty toward local fashion products.

The study further reveals that local fashion MSMEs implementing comprehensive business model innovation strategies have greater opportunities to enhance competitiveness. These strategies include developing products that combine local cultural elements with modern trends, utilizing digital marketing and social media platforms, strengthening customer relationships through personalized interactions and customization services, and implementing storytelling strategies to create emotional value. Such approaches enable MSMEs to establish differentiation that imported thrift products cannot easily replicate, particularly in terms of cultural identity, exclusivity, and consumer experience.

Therefore, this study concludes that business model innovation strategies play a crucial role in helping local fashion MSMEs respond to competitive pressures from imported thrift products. Rather than competing solely based on price, creating unique and meaningful value becomes a key factor in ensuring the sustainability of local fashion businesses. This study emphasizes that understanding Gen Z preferences and purchasing power provides a strategic foundation for designing relevant, adaptive, and long-term competitive business models.

5.2 Research Limitations

This study has several limitations. First, the qualitative approach and purposive sampling method limit the generalizability of the findings to all local fashion MSMEs and Gen Z consumers in Indonesia. The findings primarily reflect the experiences and perceptions of selected MSME owners and consumers in Denpasar City. Second, the study focuses on consumer preferences and business strategies from a qualitative perspective without incorporating quantitative measurements of purchase intention, consumer loyalty, or MSME performance. Third, the study does not examine external factors such as government policies, economic conditions, and broader market dynamics that may influence competition between local fashion products and imported thrift products.

5.3 Suggestions and Directions for Future Research

This section provides suggestions for further research based on the findings of the study, such as expanding the sample, using new methods, or exploring factors that have not yet been studied. The goal is to deepen understanding of the topic discussed. Future studies are encouraged to involve a broader range of local fashion businesses and consumers from different regions to obtain more comprehensive insights into fashion consumption patterns and MSME competitiveness. Additionally, future research may adopt mixed-method approaches by integrating qualitative exploration with quantitative analysis to examine the relationships between business model innovation, consumer preferences, digital capabilities, and business performance. Further studies may also investigate other strategic factors, such as sustainability practices, brand equity, government support, and technological adoption, which may influence the ability of local fashion enterprises to compete with imported thrift products in increasingly dynamic markets.

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Author Contributions

NPLA contributed to conceptualization, methodology, data collection, investigation, formal analysis, and writing – original draft. MAS contributed to supervision, validation, methodology, and writing – review and editing. NDAA contributed to supervision, validation, data interpretation, and writing – review and editing. All authors have read and approved the final version of the manuscript and are responsible for the integrity and accuracy of the research.

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