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Resource-Based View Analysis to Achieve Competitive Advantage in Milidi 86 MSMEs

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***Abstract**:, The development of competition in snack food MSMEs demands internal resource management that can support sustainable competitive advantage. This study aims to analyze the application of Resource-Based View (RBV) in achieving competitive advantage in Milidi 86 Jember MSMEs. The study uses a qualitative type with a case study approach. Informants were selected by purposive sampling, consisting of five informants from nine workers, namely the owner and four employees. The research instruments were in the form of observation guidelines, interviews, and documentation, while data analysis was carried out through data collection, data reduction, data presentation, and drawing conclusions with the VRIO framework. The results of the study indicate that tangible resources in the form of production equipment, factory buildings, operational vehicles, and raw material inventory produce a temporary competitive advantage because they have not yet met the inimitable aspect. Intangible resources in the form of reputation, brand, innovation of 12 flavor variants, product characteristics, and professional relationships with suppliers meet all VRIO criteria. In conclusion, Milidi 86's sustainable competitive advantage is mainly supported by intangible resources and internal capabilities that are difficult for competitors to imitate.*

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Introduction

Micro, Small, and Medium Enterprises (MSMEs) need to manage their internal resources effectively to remain competitive amid changing business conditions. Strategic management enables businesses to coordinate resources and identify internal strengths that support business continuity and competitive positioning (Uli et al., 2024; Sudiantini, 2022; Rahmatullah et al., 2023). From the Resource-Based View (RBV) perspective, competitive advantage depends not only on external market conditions but also on how firms develop and utilize their internal resources (Barney, 1991). These

resources include tangible assets, such as production equipment and facilities, intangible assets, such as brand reputation and product knowledge, and organizational capabilities that enable resources to be managed effectively (Aslamiyah et al., 2024). The VRIO framework, comprising valuable, rare, inimitable, and organized criteria, provides a basis for assessing whether these resources can support a temporary or sustainable competitive advantage (Eravia & Samsir, 2025).

These issues are relevant to Milidi 86, a packaged-snack MSME in Jember that has developed from a micro-enterprise into a small business. Its business development has involved investment in production facilities, automated packaging equipment, and distribution vehicles. However, physical assets alone may not provide a sustainable competitive advantage when competitors can acquire similar resources (Anderson & Hidayah, 2023). Milidi 86 has also faced challenges involving production hygiene, limited flavor variations, and packaging that previously restricted access to modern retail outlets. The business responded by establishing a separate production facility, developing 12 flavor variants, and adopting premium ziplock packaging with nitrogen gas injection. These developments highlight the importance of product innovation and production capabilities alongside physical investment. Nevertheless, the owner's initial difficulty in distinguishing tangible resources from intangible resources indicates a need for more systematic resource identification and management (Dewanto, 2025).

Previous studies provide relevant foundations for examining internal resources in MSMEs. Winata et al. (2025), in their study of Hello Donuts, found that innovation in buffet toppings and premium product quality could fulfill VRIO criteria and support sustainable competitive advantage. Their study focused on value creation through customer participation and product customization. Meanwhile, Mahawisnu et al. (2025) examined Kirana Bouquet and identified wrapping skills, personal branding, and customer relationships as resources that support product differentiation in a creative micro-business. Although these studies demonstrate the relevance of tangible and intangible resources to MSME competitiveness, their business contexts differ from Milidi 86. As a packaged-snack business with a more developed operational structure, Milidi 86 combines manufacturing technology, internally developed flavor formulas, packaging improvements, distribution activities, and production requirements associated with food safety and BPOM distribution permits. This context warrants a focused assessment of how its resources and organizational capabilities meet the VRIO criteria.

The research gap therefore lies in the need for a context-specific analysis of tangible resources, intangible resources, and organizational capabilities in a packaged-snack MSME that has transitioned from micro to small-business scale. Rather than claiming that the integration of RBV and VRIO is entirely new, this study applies these established frameworks to examine the distinctive resource configuration and operational challenges of Milidi 86. The analysis focuses on how physical assets, product and brand-related resources, innovation, and organizational capabilities are identified and assessed against the valuable, rare, inimitable, and organized criteria. This approach also addresses the practical need to distinguish resources that mainly support daily operations from those that may contribute to sustainable competitive advantage.

Accordingly, this study aims to analyze the tangible resources, intangible resources, and organizational capabilities of Milidi 86 through the RBV approach and VRIO framework to assess their contribution to competitive advantage. The study is important because systematic resource mapping can help the business identify its strategic strengths and improve decisions concerning resource development and allocation. Its contextual contribution lies in examining these resource categories within a packaged-snack MSME facing challenges related to production facilities, flavor differentiation, packaging technology, and operational development. The findings are expected to provide practical insights for Milidi 86's resource management and offer a case-based reference for understanding competitive advantage among MSMEs with similar characteristics.

Research methods

This research employed a qualitative method with a case study approach and inductive analysis. This approach was used to gain a deep understanding of the condition and management of internal resources at the Milidi 86 MSME and its relationship to achieving competitive advantage. The analysis was conducted based on field data using the Resource-Based View (RBV) theory and the VRIO concept as analytical tools. The qualitative method was chosen because the research aimed to describe

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phenomena realistically, concretely, and actually through verbal data obtained from in-depth and detailed interviews. The research was conducted in a natural environment so that the information obtained could provide an in-depth picture of the resource conditions and capabilities of the Milidi 86 MSME (Fadli, 2021).

The Resource-Based View approach is used as a framework to analyze the utilization and management of internal resources of Milidi 86 MSMEs in achieving competitive advantage. The analysis is directed at three main components, namely tangible resources, intangible resources, and organizational capabilities. The physical resources analyzed include raw materials, equipment, and production facilities, while intangible resources include reputation, brand, and customer relationships. In addition, the study also identifies capabilities related to production skills, product innovation, and managerial abilities. Furthermore, these three aspects are analyzed using the VRIO framework that includes valuable, rare, inimitable, and organized to determine the ability of resources and capabilities in creating competitive advantage for Milidi 86 MSMEs.

The research instruments used were observation guidelines, interview guidelines, and documentation. Direct observations were conducted to obtain information on the physical resources owned by the Milidi 86 MSME, such as production machines, raw materials, and other physical facilities. Semi-structured interviews were conducted with the owner and employees to obtain information on intangible resources, such as knowledge, skills, experience, and abilities in production and marketing management. Documentation was used to obtain data in the form of notes, transcripts, newspapers, agendas, and other documents related to the utilization of tangible and intangible resources in creating competitive advantage.

The research data consists of primary and secondary data. Primary data were obtained through field observations and direct interviews with the owners and employees of the Milidi 86 MSME, while secondary data were obtained from written documents, transcripts or reports, articles, journals, books, and previous research literature related to the research. Data analysis was conducted qualitatively after data were obtained through observation, interviews, and documentation. The analysis stages include data collection, data reduction, data presentation, and drawing conclusions. Data collection was carried out by obtaining and recording information relevant to the research. Next, the data were reduced by selecting relevant information, summarizing it, and focusing on important information. The reduced data were then presented systematically to facilitate understanding of the research conditions. The final stage was drawing conclusions through a verification process of the analyzed data by comparing and evaluating the information obtained with the research findings. The analysis was conducted by considering the relationship between the data collection and data analysis processes (Muhson, 2006; Corbin, 2014).

This study does not use a population and sample in the sense of quantitative research, but uses informants determined by purposive sampling. This technique is used because informants are selected based on their in-depth knowledge and understanding of the tangible resources, intangible resources, and capabilities of the Milidi 86 MSME. The main informant in the study is the owner of the Milidi 86 MSME, while other informants come from employees who have work experience and information related to the research object. Based on the data contained in the study, the Milidi 86 MSME has nine employees including the owner. Of the total workforce, there are five people who serve as informants, namely the business owner, the administration department who has worked for five years, the production department who has worked for three years, the shipping department who has worked for four years, and the sales marketing department who has worked for four years. The other four employees were not used as informants because they were deemed not to have adequate information regarding the matter being studied.

The research procedure begins with determining the research object, namely the Milidi 86 MSME operating in Tegalbanteng Hamlet, Kesilir Village, Wuluhan District, Jember Regency, East Java. The research was conducted over a period of three months, namely from February to April 2026. After determining the location and informants, the research continued with data collection through observation, interviews, and documentation. Observations were conducted to identify tangible

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resources, while semi-structured interviews were used to explore the intangible resources and capabilities of the Milidi 86 MSME. Documentation was used to complement the information obtained from observations and interviews.

The collected data was then analyzed qualitatively through the stages of data collection, data reduction, data presentation, and conclusion drawing. After the data was analyzed, the resources and capabilities of the Milidi 86 MSME were identified based on three main aspects: tangible, intangible, and organizational capabilities. These three aspects were then analyzed using the VRIO framework consisting of valuable, rare, inimitable, and organized. The results of the analysis were used to determine the resources and capabilities that can create a competitive advantage for the Milidi 86 MSME so that it can survive and compete sustainably.

Data validity was strengthened through source triangulation and technical triangulation. Source triangulation was conducted by comparing information obtained from various sources, including information on tangible resources, intangible resources, and capabilities. Technical triangulation was conducted by comparing information obtained through different data collection techniques, primarily observation and interviews. The application of both triangulations was used to ensure data validity through comparisons between informants and the use of multiple data collection techniques.

Results and Discussion

Based on the research conducted at Randung Jaya Food UMKM Milidi 86, the researcher obtained various information related to the research focus regarding the Resource Based View (RBV) analysis on the creation of competitive advantage in UMKM Milidi 86. The information was obtained through observation, interviews, and documentation processes carried out directly during the research activities. In this study, the researcher tried to understand how tangible and intangible resources as well as the capabilities of the business can be utilized to support the development and maintain the business amidst the increasingly tight competition of snack UMKM. Information from the informants is an important part because it provides a real picture of the actual business conditions, starting from the production process, business management, how to maintain product quality, to relationships built with customers. To help the data collection process to be more focused, the researcher used an interview guide that was prepared according to the research needs.

This study also aims to analyze the Resource Based View (RBV) strategy in achieving sustainable competitive advantage in Milidi 86 MSMEs. From the results of the research conducted, it is seen that Milidi 86 has several internal strengths that are sufficient to support business sustainability, such as tangible resources from buildings, land, production equipment, as well as intangible resources in brands, business reputation, and so on as well as the experience of business owners in managing the business, the ability to carry out production processes, and good relationships established with customers. These factors are an important part in supporting the business's ability to survive and compete with other similar businesses.

Based on the results of observations and interviews in the field, it can be seen that the Milidi 86 MSME has quite good business potential and is supported by several strengths that are an added value for the business, especially in maintaining product quality and maintaining consumer trust. All data and findings obtained during the subsequent research will be explained in more detail in the discussion section in order to provide a clearer picture of the implementation of the Resource Based View strategy in creating sustainable competitive advantages in the Milidi 86 MSME.

Tangible Resource Analysis

1. Production Equipment and Machinery

Tangible resources are physical assets used to support a company's operational activities. From the Resource-Based View (RBV) perspective, these resources can support competitive advantage if utilized effectively. Barney and Hesterly (2019:64) explain that company resources include assets, capabilities, organizational processes, information, and knowledge that enable the company to implement strategies effectively and efficiently. At the Milidi 86 MSME, tangible resources include production equipment and machinery, business buildings, operational vehicles, raw material inventory, and supporting technology and equipment.

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Based on interviews with three informants, production equipment such as large frying pans, gas stoves, ladles, stainless steel pans, spatulas, trays, plastic presses, nitrogen devices, and seasoning equipment are used daily in the production process. This equipment is regularly maintained and cleaned to maintain hygiene and optimal function. The availability of adequate equipment helps the Milidi 86 MSME streamline the production process, save work time, increase efficiency, and maintain product quality and consistency to meet consumer needs and satisfaction.

2. Business Premises Building

In addition to production equipment, buildings or business premises are tangible resources that support operational continuity. Barney and Hesterly (2019:64) explain that business facilities and buildings are tangible resources that can create economic value by supporting operational activities. At the Milidi 86 MSME, the production building is privately owned and has been adjusted to BPOM standards. Based on interviews with three informants, the building was constructed due to increasing product demand and employee numbers, replacing the previous, smaller and inadequate production facility.

The presence of a dedicated production facility that meets BPOM standards is one of the advantages of the Milidi 86 MSME, as not all similar businesses have their own production facilities that meet food safety and quality standards. This ensures product hygiene and safety, increases consumer confidence, and strengthens the business's competitiveness.

3. Operational Vehicles

According to Barney (1991), vehicles and distribution networks are physical resources that can support competitive advantage by increasing the effectiveness of customer service. At the Milidi 86 MSME, operational vehicles, including box trucks and motorcycles, are used to support product delivery within Jember and beyond. Interviews with three informants revealed that these vehicles are supported by a clear division of tasks and delivery schedules, enabling the distribution process to run more orderly, effectively, and on time.

Owning operational vehicles and an organized distribution system adds value to the Milidi 86 MSME, helping expand market reach, improve distribution efficiency, and support customer service. The distribution management, built through experience and a division of tasks, also makes the system difficult for competitors to quickly imitate. Thus, operational vehicles and distribution management contribute to strengthening the competitiveness of the Milidi 86 MSME.

4. Raw Material Inventory

Naibaho (2013) stated that raw material inventory plays a crucial role because the smooth operation of a company depends on its availability. At the Milidi 86 MSME, raw materials such as ready-to-fry milidi, cooking oil, 12 flavors of seasoning, packaging, and packing boxes are managed regularly through stock checks to avoid hindering the production process. Based on interviews with three informants, the maintained availability of raw materials helps the Milidi 86 MSME maintain smooth production, consistently meet consumer demand, and maintain product quality.

This inventory management demonstrates the fulfillment of the "Organized" criteria in VRIO, as the Milidi 86 MSME has managed the availability of raw materials according to production needs. Therefore, orderly inventory management is an operational strength that supports business effectiveness and meets market needs.

Intangible Resources Analysis

1. Reputation and Business Image

Based on interviews with three informants, the Milidi 86 MSME possesses intangible resources in the form of reputation and business image that support its competitive advantage. This reputation is built through consistent product quality maintenance, quality control, and acceptance of customer criticism and suggestions. Customer complaints and feedback are used as evaluation materials to

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improve product and service quality. This is in line with Barney (1991), who stated that a company's reputation is a strategic resource that has value and is difficult for competitors to imitate.

Thus, the reputation of the Milidi 86 MSME business meets the criteria of being valuable because it maintains customer trust and satisfaction and strengthens its positive image. Its commitment to quality and openness to customer feedback are strengths that support its sustainability amidst competition.

2. Brand

Aaker (1991) explains that a brand is a crucial asset that provides added value and differentiates products from competitors. At the Milidi 86 MSME, the brand serves as an intangible resource that helps increase product recognition and expand business partnerships. Interviews revealed that Milidi 86's memorable name, clear business identity, and attractive packaging make the product more recognizable and attract consumer attention.

Thus, the Milidi 86 brand becomes a strategic resource that supports competitive advantage because it is able to differentiate products from competitors, increase consumer appeal, strengthen product recognition, and support the expansion of business cooperation.

3. Innovation and Creativity

Innovation and creativity are crucial factors in maintaining Milidi 86's competitiveness. Interviews revealed that the business has been able to adapt its products to consumer needs by expanding its flavor range from a few spicy flavors to 12, including a non-spicy flavor. This innovation increases consumer choice, attracts more customers, and expands market share. This demonstrates that the ability to innovate based on consumer needs is a competitive advantage that differentiates Milidi 86 from its competitors.

4. Business Characteristics

Distinctive features are an intangible resource that strengthens Milidi 86's identity and competitiveness. Interviews revealed that these distinctive features are evident in the crispy, durable products, high-quality ingredients, rich and flavorful seasonings, and a variety of flavors. These characteristics differentiate them from competitors, are easily recognized by consumers, and provide added value, strengthening Milidi 86's competitive advantage.

5. Relationships With Customers And Suppliers

Supplier relationships are a crucial asset in supporting Milidi 86's competitive advantage. Interviews revealed that these relationships are maintained professionally through timely payments, the use of multiple suppliers, and the implementation of raw material quality standards. Materials that do not meet standards are returned to the supplier. Managing these relationships helps maintain the quality and availability of raw materials, ensuring a stable and consistent production process.

Data Analysis Results (VRIO Analysis Stage)

Based on the results of qualitative research through observational data collection and in-depth interviews with informants, this section will dissect all internal resources and capabilities of the Milidi 86 MSME using the VRIO framework analysis tool. This framework examines four main indicator dimensions: Valuable, Rare, Inimitable, and Organized, to identify the extent to which the business's internal strengths are capable of triggering sustainable competitive advantage.

1. *Valuable*(Worth)

Based on the results of data testing, all assets owned by the Milidi 86 MSME were proven to meet the Valuable criteria.

A. Tangible resources in the form of complete production equipment (large frying pan, seasoning table, sealer, gas), independent factory buildings that meet BPOM standards, and the availability of raw material stocks have proven to be of high value because they are able to reduce processing time, increase product hygiene standards, reduce rental operational costs, and facilitate distribution flows to agents outside the city.

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B. Intangible resources such as a commitment to strict product quality control, the attractive "Milidi 86" brand identity, the uniqueness of the throat-friendly crunchy recipe, diversification innovations of up to 12 flavor variants, and the habit of maintaining professional partnerships with suppliers contribute massive strategic value in boosting sales turnover, maintaining emotional market ties, and strengthening consumer loyalty.
C. Internal capabilities in the form of managerial leadership competencies, digital marketing skills, supply chain efficiency, and the agility to read market preference trends are of high value for the company's operational existence to remain relevant amidst the tight competition in the snack industry.

2. *Rare*(Rare)

The scarcity dimension tests whether the business's internal assets and competencies in the field are unique and rarely owned by competitor outlets of the same scale.

A. In terms of tangible resources, some of Milidi 86's physical assets are quite rare for a micro-small home industry. Few of Milidi's competitors have their own dedicated factory building with a layout that meets the hygiene requirements of BPOM regulations, manages its own fleet of distribution box vans, and adopts nitrogen gas injection packaging technology to maintain food crispiness.
B. In terms of intangible resources and capabilities, this scarcity is evident in the possession of a positive brand reputation, a high level of compliance with defective raw material returns, an abundant spice mix formula, a distribution network to modern minimarkets and supermarkets, and the owner's track record of years of experience managing a culinary business. These intangible elements develop organically through a long process of trial and error, making them unavailable to most new MSMEs in the market.

3. *Inimitable*(Hard to Imitate)

This aspect of the replication barrier shows a very contrasting gap between the tangible and intangible asset categories in Milidi 86:

A. Tangible resources have been proven NOT TO MEET the Inimitable (Easily Imitated) criteria. Physical complexities such as operational buildings, gas stove installations, large stainless steel pans, long seasoning tables, and even operational box trucks can essentially be purchased, rented, or rebuilt by competitors at any time, provided they have sufficient financial injections or investment capital. Therefore, physical advantages cannot provide a long-term defense for the business.
B. Intangible resources and proven capabilities MEET the Inimitable criteria (Very Difficult to Imitate). A good reputation, long-term trust relationships with supplier networks, loyal customer loyalty, a culture of employee cleanliness discipline, and the adeptness of reading consumer needs are the result of the accumulated history of the business, social capital, and learning interactions that are closely attached to the organization over the years. Even capital-rich competitors will not be able to copy the reputation, emotional bonds of customers, or managerial business instincts of the owner in a short time due to their complex nature (social complexity) and non-transparent paths (causal ambiguity).

4. *Organized*(Organized)

The final dimension tests the readiness of the business's internal management system to systematically exploit the potential of all available resources. Based on data findings, the Milidi 86 MSME has a very solid and well-organized work organization foundation.

A. Physical asset management is carried out through a strict post-production equipment cleaning schedule to maintain hygiene, as well as orderly raw material warehousing management to ensure that stocks of flour and single-use cooking oil do not experience operational delays.

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B. The governance of intangible assets and capabilities is fully supported by a clear structure of employee job roles (such as Mas Fendi and Mas Sutekno in the delivery line, Mbak Linda in administration, and Mbak Maya in cleaning). Managerial activities are also strengthened by a weekly work evaluation mechanism, routine briefings before starting production hours, periodic visual quality control supervision of products by the owner, and SOPs for returning damaged goods to suppliers. This structured organizational framework ensures that all components of the business's internal strengths can be mobilized harmoniously to achieve shared business targets.

Summary of Analysis Results & Discussion

In order to summarize the results of resource identification and confirmation of VRIO indicator testing, a VRIO matrix recapitulation table was created to determine the competitive strength position of Milidi 86 MSMEs as follows:

Table 1. Summary of Analysis Results

Resource Types	Valuable (V)	Rare (R)	Inimitable (I)	Organized (O)	Implications of Competitiveness / Competitive Advantage
Tangible Resources					
Production Equipment & Machinery	Yes	No	No	Yes	Temporary Competitive Advantage
Private Factory Building (BPOM Standard)	Yes	Yes	No	Yes	Temporary Competitive Advantage
Operational Vehicle Fleet	Yes	Yes	No	Yes	Temporary Competitive Advantage
Raw Material Inventory & Warehouse	Yes	No	No	Yes	Temporary Competitive Advantage
Intangible Resources					
Reputation & Image Quality Commitment	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Brand Identity (Brand Milidi 86)	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Flavor Diversification Innovation (12 Variants)	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Characteristics of Premium Products	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Professional Partnership with Suppliers	Yes	Yes	Yes	Yes	Sustained Competitive Advantage

Source: Processed data (2026)

Based on the summary table above, the following analytical conclusions can be drawn:

1. Tangible AssetsThe Milidi 86 MSME successfully met the Valuable, Rare, and Organized criteria, but failed in the Inimitable criteria. This means that all physical infrastructure investments (such as delivery vans, BPOM-compliant buildings, gas stoves, frying pans, and nitrogen sealers) only triggered a Temporary Competitive Advantage. Physical assets are essential for maintaining daily production capacity, but they cannot be a mainstay long-term weapon because they are vulnerable to imitation through competitors' financial capital.
2. Intangible Assets and Organizational Capabilitiesowned by MSME Milidi 86 successfully passed all stages of the VRIO (Valuable, Rare, Inimitable, Organized) framework test. Non-physical characteristics such as a reputation for hygienic quality assurance, a bond of customer loyalty, a unique recipe for a mouth-watering crispy dough, an ecosystem of 12 flavor variants, a firm supplier return SOP, and structured internal team coordination are the main generators that give birth to Sustainable Competitive Advantage. These knowledge-based factors, work culture, and historical experience are the defense shield and growth engine of Milidi 86's business to remain firmly in the lead in the snack food market share amidst increasingly fierce competitive dynamics.

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This recapitulation of the analysis and discussion results is designed to provide a comprehensive overview of how internal resource management at Milidi 86 MSME can address all strategic and operational issues identified in the background. Based on the Resource-Based View (RBV) approach and VRIO matrix testing, all tangible and intangible assets and organizational capabilities are thoroughly evaluated to determine their position in creating competitive advantage. This recapitulation also provides a scientific answer to the problem formulation regarding the effectiveness of the company's internal strategy in winning the competition in the packaged snack market. Regarding the first issue raised in the background, namely formal regulatory barriers due to the initial production space being narrow, open, hot, and not meeting Good Manufacturing Practices (GMP) standards, the analysis shows that this problem has been successfully addressed independently. The owner of Milidi 86 MSME successfully allocated internal capital to build a separate, enclosed factory building in Kesilir Village. The business premises that have been adjusted to BPOM standards act as strategic tangible assets that provide value (Valuable) and rarity (Rarity) because they are rarely owned by similar micro-scale competitors, thus strengthening the foundation of business legality.

The second problem regarding the market saturation phase and declining sales volume due to the monotonous characteristics of the initial product flavor variants relying only on traditional spicy flavors was successfully addressed through the optimization of intangible resources in the field of innovation and creativity. Through a long trial and error process, Milidi 86's internal management succeeded in formulating and developing the product to have 12 different flavor variants that can reach all consumer age segments. This standard recipe formula locked in the kitchen became a unique non-physical asset that meets the Inimitable criteria (difficult to imitate) in the VRIO framework, because it is based on internal competencies and the company's historical experience. The third obstacle that limited Milidi 86's marketing space to modern retail networks due to the vulnerability of plain ice kiloan plastic packaging that easily leaks and causes the product to be destroyed, has been resolved through packaging technology updates. The company invested in tangible assets in the form of automatic packaging machines and adopted innovative packaging technology that injects nitrogen gas into premium ziplock pouch containers. The use of nitrogen gas as an air cushion and natural preservative has been proven to provide high economic added value (Valuable) and has succeeded in opening access to Business to Business (B2B) cooperation with leading local modern supermarkets such as Larisso and Dira Shopping.

The fourth problem stemming from the owner's managerial cognitive limitations, a physical bias, where the owner initially assumed business development relied solely on the addition of visible physical assets, has been corrected through the results of this internal mapping. Through RBV analysis, the owner now conceptually understands that the primary strategic value maintaining Milidi 86's market resilience lies in intangible assets such as brand reputation, operational standardization, and human capital. This managerial awareness helps the organization identify the primary drivers of long-term business growth so that resource allocation no longer experiences conceptual distortions. When linked to previous research conducted byWinata et al (2025)Regarding the RBV analysis of Hello Donuts MSMEs, there is alignment in terms of proving that the combination of innovation and stable internal quality is able to fulfill VRIO attributes to form a sustainable competitive advantage. However, there is a difference in context that becomes a research gap, where Hello Donuts emphasizes interactive service innovation of direct flavor customization (value co-creation) in stores. In contrast, value creation at Milidi 86 relies purely on the standardization of internal manufacturing technology capabilities such as nitrogen gas injection and independent flavor formula innovation without involving consumers in the production process.

Next, a comparison with research fromMahavishnu & Feboila et al (2025)The research on Kirana Bouquet MSMEs demonstrates similarities in the use of qualitative methods to identify non-physical assets as components of product differentiation in the creative industry. The scientific gap found is that Kirana Bouquet is still on a simple micro scale that relies on emotional closeness of the owner and cost-based pricing. Meanwhile, the research object of Milidi 86 MSMEs has transitioned into a Small Business with a more complex operational structure, where market success requires compliance with GMP-based production space regulations and compliance with formal distribution permits from BPOM.

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This discussion is also strengthened by alignment with researchRahmatullah et al (2023)at UD. Tiga Putra, which demonstrated that systematic mapping of internal resource strengths can identify which assets are at a sustainable competitive advantage level. At the Milidi 86 MSME, internal instrument testing went beyond the general identification stage but was developed specifically using the VRIO matrix to assess the organization's institutional readiness to optimally exploit the full potential of its physical and non-physical assets.

Overall, the recapitulation of the results shows that not all of Milidi 86's tangible assets are capable of driving sustainable excellence. Standard physical assets such as frying pans, gas stoves, and operational vehicles tend to be trapped in the competitive parity or temporary advantage category on their own because they are easily purchased on the open market by well-capitalized competitors. However, when these physical assets are synergized with organized organizational capabilities such as the functional division of labor of 9 employees, a regular logistics distribution schedule, and strict hygiene SOPs, the operational system is transformed into a formidable competitive force. As a closing recapitulation of the discussion, the integration of RBV analysis and the VRIO matrix confirms that the resilience of Milidi 86's MSME in facing the dynamics of the culinary market is determined by its success in managing intangible assets. The product's distinctive characteristics, such as crunchy, unbreakable lidi-lidian, abundant in spices, and the ownership of 12 flavor variants supported by legal building hygiene standards BPOM (Indonesian Food and Drug Authority), are the company's main strategic assets. The success of this internal governance is what empirically answers all the challenges in the background and leads Milidi 86 to achieve a position of sustainable competitive advantage.

Conclusion

This study shows that Milidi 86 MSMEs possess internal resources and capabilities that play a role in forming competitive advantages. Tangible resources in the form of production equipment, BPOM-standard factory buildings, operational vehicles, and raw material supplies meet the valuable and organized aspects, while buildings and vehicles also have rare elements, but all of these assets have not met the inimitable aspect, thus resulting in a temporary competitive advantage. In contrast, intangible resources in the form of reputation and business image, the Milidi 86 brand, innovation in 12 flavor variants, product characteristics, and professional relationships with suppliers meet all VRIO criteria and are the main sources of sustainable competitive advantage. Practically, these findings indicate that Milidi 86 needs to maintain investment in physical assets while prioritizing the development of intangible assets, such as reputation, innovation, quality standardization, business relationships, and internal knowledge.

This study has limitations because it used a qualitative case study approach on a single MSME, so the findings cannot be generalized to all snack food MSMEs. Furthermore, the analysis relied heavily on observations, interviews, and documentation, so the assessment of resources based on VRIO was still influenced by the context and perspective of the informants. Future research is recommended to involve more MSMEs with different characteristics and business scales and use a quantitative or mixed-methods approach to examine the relationship between resources, capabilities, and competitive advantage in a more measurable manner. Future research can also expand the analysis to include aspects of digitalization, market adaptability, and intangible resource development strategies to gain a more comprehensive understanding of the sustainability of MSME competitive advantage.

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