

# Factor Analysis and Strategies for Regional Economic Development based on Creative Industry and Halal Lifestyle

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## **Abstract**

*The majority of regional economic development for cities is a top-down approach where the government designs programs and runs programs for the community. This has the consequence of policies that are not on target, thus an alternative path with a bottom-up approach is needed. As part of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Creative Cities Network, Bandung City continues to nurture the economic growth of the creative sector. In fact, creative industry has been the backbone of the city's economy for many years. Bandung is also a multicultural city inhabited by many young Muslims, this city is a potential place for the movement of the halal economy. The halal lifestyle in the last few years has shown an increasing trend in among young people in Bandung. This study wants to explore the factors of regional economic development through the creative economy and halal lifestyle using the Exploratory Factor Analysis (EFA) method. This study involved 113 entrepreneurs related to the creative and halal industries. Based on the results of this study, there are four main factors that can increase regional economic development in Bandung through the creative industry and halal lifestyle: (Factor 1) Economic growth support system; (Factor 2) Intellectual support system; (Factor 3) Marketing support system; (Factor 4) Collaborative culture support system. These factors are alternative paths with a bottom-up approach as the foundation for regional economic development in Bandung. And based on the results of this study, there is a novelty in the form of a bottom-up approach for public policy related to regional economic development, especially urban regional economic development based on creative and halal industries.*

**Keywords:** *Creative Economy; Exploratory Factor Analysis; Halal Industry; Halal Lifestyle; Regional Economic Development.*

## **A. INTRODUCTION**

As part of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Creative Cities Network, Bandung city continues to nurture the economic growth of the creative sector. In fact, creativity has been the backbone of the city's economy for many years (Nugroho, Susila & Setyawan, 2018; Nurozi, 2021) Because of that it is very important to continue to conduct studies around the creative economy and the city of Bandung. The demographics of Bandung city, which is inhabited by 68 percent of people under the age of forty, are also a superior aspect of the creative economy. According to Cunningham et al. (2021) creative economy actors are those who are mostly under forty years old. Young age is one of the factors that can drive creative ideas to emerge. As a multicultural city inhabited by many young Muslims, Bandung city is also a potential place for the movement of the halal economy. The halal lifestyle in the last few years has shown an increasing

trend in the lives of young people in the city of Bandung (Zaidah, Solihin & Muliadi, 2022). Of course, this potential must also be linked to the potential of the city of Bandung with its creative economy.

As an illustration, halal industries have now been developed in Asian countries, such as Thailand which has established itself as the world's halal kitchen, even though the percentage of the Thai Muslim population is only 5 percent (Mohd Nawawi, 2020), meanwhile, Australia is also has been producing and exporting halal beef (Poniman, Purchase & Sneddon, 2015). South Korea, which is famous for its beauty industry, also dominates the world's halal cosmetics industry (Kim, et al., 2013). Meanwhile, China is a country that dominates the halal textile industry (Hong, et al., 2019), while Indonesia, which has millions of natural beauties, is a halal tourist destination (Suban, Madhan & Shagirbasha, 2021). Also seeing this potential, the city of Bandung as one of the favorite places for local and international tourists to visit has great potential as a world halal tourist destination.

The development of the halal industry is summarized in the term Halal Life Style, this is a term consisting of several elements of halal commodities that are used to meet the needs or desires of all halal humans (especially Muslim communities) such as halal food, halal fashion, halal travel, halal cosmetics. and pharmaceutical, halal media and recreation, and Islamic finance. It is very common for regions in Indonesia to see that this is a market opportunity for economic progress, especially the regional economy in regions in Indonesia, and this is a new marketing medium, because in fact the term Halal Life Style is still new, one of the proofs is like the existence of a halal tourist area in Lombok, and also the Namirah Syariah Hotel in Surabaya (Rachmiatie, et al., 2022). Halal guarantees in Indonesia are officially recognized and supported by the state with the issuance of Law no. 33 of 2014 concerning Halal Product Guarantee (JPH). The implication of the issuance of this law is that the state officially recognizes and guarantees Islamic law in the form of the obligation to consume halal food and thoyib. In addition, the halal certification that has been carried out by the MUI (The Indonesian Ulama Council) has now been carried out by a government agency under the Ministry of Religion named the Halal Product Guarantee Agency (BPJPH). The emergence of the law was strengthened by the issuance of Government Regulation no. 31 of 2019 concerning Guarantee of Halal Products. This regulation is expected to provide information certainty and transparency for consumers of halal products, as well as encourage the growth of the halal industry market in Indonesia. For Muslims, and most of the general public, the issuance of this law was greeted with joy, but businessmen still had concerns that the issuance of the law would have a negative impact on the business and investment climate in Indonesia. In fact, the issuance of the JPH Law, economically, can actually encourage Indonesia to optimize and increase its market potential to become a global halal center and reap dividends from estimates of the global halal food industry whose development has been extraordinary at the end of this decade.

The creative industry is one of the sectors that can support economic regional development, thus it is difficult to separate the creative industry from economic regional development. One of the things that is being developed in support of the government's efforts to develop regional economic for the city is by developing creative industries and halal lifestyle. Islam itself indicates the need for the government to think about the welfare of its people and local governments have this obligation with various efforts (Wahyudin, et al., 2022). Reflecting on the importance of the link between the creative economy and halal lifestyle, it is important to trace the creative economy sub-sectors that are superior in the city of Bandung and the factors that make the actors want to enter into the world of creativity so that they play the role of creative economy actors who are the backbone Bandung's economy. So that these sub-sectors can explore more roles and can also optimize the marketing of these superior sub-sectors which are also carried out in each co-working space in 30 sub-districts in the city of Bandung.

Based on a review of various recent relevant studies on the economic regional development approach such as Moscovits (2021), Badewa (2022), Deniz and Erkut (2022), Rypestøl, Martin and Kyllingstad (2022), Taylor, Thurmer and Karácsonyi (2022), Yakovlev et al. (2022), Almeida and Almeida (2023), Grillitsch et al. (2023), Sotarauta and Grillitsch (2023), Nilsen, Grillitsch and Hauge

(2023), they believe that there is still a dominance of the top-down approach in economic regional development, and it is still rare for public policies related to economic regional development to have a bottom-up approach. This is considered very vulnerable to mistargeting and cannot detail the development needs that exist in the community. Thus we found a research gap that could become novelty in this study, and encouraged us to conduct this research.

## **B. LITERATURE REVIEW**

### **1. Creative Economy**

The term of creative economy does not have a single definition (Howkins 2001; 2013). According to the United Nations Conference on Trade and Development (UNCTAD), the creative economy is a concept that develops on the interaction between human creativity and ideas and intellectual property, knowledge and technology (Petry, et al., 2020). According to Stanford Social Innovation, the creative economy is an economic sector that blurs the boundaries between "industry" because it is at the intersection of art, culture, business, and technology. The creative economy includes photography, graphic design, fashion design, filmmaking, architecture, publishing, video games and more (Gasparin & Quinn, 2021).

The scope of the creative economy develops in the creative sector, such as in the music, film, fine arts, and so on. In the current era of technological sophistication, the creative economy is a form of economic activity that has ample space to develop (Ooi, 2021). In addition to the arts, the micro, small and medium enterprises (MSMEs) sector whose products are produced through a creative process can be categorized as an example of a creative economy (Che Arshad & Irijanto, 2022).

In another sense, there are also those who interpret the creative economy as an activity for the production of goods and services that are created through a process of creativity and intellectual ability (Chen, Chen & Mak, 2021). From this explanation it can be said that the creative economy is a knowledge-based economic activity that forms the basis of the creative industry. The creative economy is a form of economic activity that covers all parts of the creative industry, including trade, labor and production. The creative economy can be interpreted as a new economic concept that intensifies information and creativity (Pourzakarya & Bahramjerdi, 2022). This new concept puts forward ideas and various knowledge. The main production factor in the creative economy is human resources (HR) itself. That is, the concept of the creative economy can be called an economic system where value is based on imaginative qualities (Pratomo, Ashar & Satria, 2021).

### **2. Regional Economic**

Regional economic is a branch of economics which in its discussion includes elements of differences in the potential of a region to other regions (Tarigan, 2005; Leppälä & Desrochers, 2012). By looking at the economy in each region, it can be identified which region is superior to other regions so that a region can be identified with a higher level of regional basis. Therefore, the government can set priorities in carrying out development in an area based on its economic growth. Regional economics or commonly called regional economics according to Tarigan (2005) is a part of economics which explains the elements of differences in potential resources owned by one region to another. This concept is a new part of economics, regional economic exists because it solves specific problems related to questions which are usually ruled out in the analysis of other branches of economics. The most important purpose of this concept is to explain in which area an activity should be carried out and why it should be carried out in that area (Yoon, 2017). Regional economic only provides direction on area boundaries. The goal of regional economic is actually almost the same as that of the branch of economics in general. Ferguson in Tarigan (2005) explains that there are several objectives of economic policy, including: (1) full employment, (2) economic growth, (3) price stability. Therefore, Tarigan (2005) stated the purpose of regional economic, namely:

1. The creation of full employment or at least being able to reduce the unemployment rate which is one of the goals of various governments, both central and regional governments.
2. There is economic growth, which is expected to create jobs, especially for the new workforce so as to increase welfare by increasing income.

3. Creating price stability, the existence of price stability will provide a sense of security to the public without having to fear that prices will suddenly soar. When prices are unstable, people will feel uneasy, because they will think whether their savings or savings are sufficient to meet future needs.

### **3. Economic Development**

Economic development must be carried out in an integrated, harmonious, balanced and sustainable manner and it is hoped that the economic development carried out constitutes the unity of national development (Gashenko, et al., 2018). So that in realizing the creation of national economic development it is necessary to carry out regional economic development activities which are expected to be able to reduce inequalities between regions and be able to realize fair and equitable prosperity between regions. One of the efforts that can be made to describe economic development policies at the regional level, it is necessary to have a reliable area that is oriented towards developing regional potential (Han, 2022). Therefore, Todaro and Smith (2015) say that the success of economic development is demonstrated by three main values, namely:

1. Increasing the ability of the community to meet their basic needs
2. High sense of self-esteem (self-esteem) of society as human beings.
3. There is an increase in the ability of the people to choose (freedom from servitude) which is one part of human rights

### **4. Halal Lifestyle**

The development of halal or sharia among people is increasing, a new term emerged, namely Halal Life Style, meaning Halal Life Style means a halal lifestyle (Khan & Callanan, 2017). In description, it means that everything we use in our daily life is something lawful or syar'i (Hidayat, Rafiki & Nasution, 2022). Now this industry is being developed into a separate industrial sector, so the target is that what we use from waking up to going to sleep are halal and shar'i products, such as wearing clothes labeled shar'i, renting a hotel that is shar'i, wearing shoes or halal accessories, and so on (Khan & Callanan, 2017). This is a new value in the creation of industrial strategy and becomes a succession in the application of marketing business theory that marketing is a process of creating customer value (Shah, Azhar & Bhutto, 2020). Creation of these new fields must be concrete steps in maintaining the market segmentation of the halal industry so that it is not inferior to conventional ones, because the birth of the term "halal" preceded the birth of conventional industries and many have been successful (Hidayat, Rafiki & Nasution, 2022). The halal industry needs to be able to build relationships with customers so that it can maintain the halal industry market segmentation (Vargas-Sánchez & Moral-Moral, 2019).

Shah, Azhar and Bhutto (2020) state that market opportunities are an area of buyer needs where companies can operate profitably, while Islam (2021) provides an understanding of market opportunities as the most profitable important situations in the corporate environment. there are lots of industries that have developed after the existence of this Halal Life Style. Indonesia is a country with the largest Muslim population. This Muslim population is the market share for halal industries, if this market is developed, the Indonesian state will become the center of halal industries (Hidayat, Rafiki & Nasution, 2022). Indirectly, this population shows that the high domestic demand for halal products and the opening of the Asean and international markets have encouraged the national halal industry to pay attention to how products reach consumers, both on a national and international scale. This opportunity can be started from MSMEs, by always campaigning for the halal concept for every worker or community around MSMEs, by adhering to the halal concept in every production, then a halal business industry is created (Hidayat, Rafiki & Nasution, 2022).

The halal lifestyle is a form of lifestyle pattern that is adapted to the teachings of the Islamic religion (Bukhari, et al., 2022). The halal lifestyle is also a form of obedience to God's commands in various aspects. Implementing a halal lifestyle pattern is a form of implementing obedience and adherence to laws and regulations that apply in social life, which can create a life that is full of peace and tranquility within the personal, family and community spheres. The halal lifestyle is not limited to

how a person allocates his income in accordance with Shari'ah, but can also be applied to all aspects of life according to Islamic teachings. So the halal lifestyle is a lifestyle that is carried out by each individual in all their activities, interests and opinions for daily consumption or for other pleasures that are based on sharia (Karoui & Khemakhem, 2019).

### **C. RESEARCH METHOD**

This study uses the Exploratory Factor Analysis (EFA) method. According to Hair, et al. (2018) EFA is a factor analysis that has a procedure, which examines the data and provides research with information on how many factors are needed to describe the data in the Exploratory Factor Analysis, all measured variables are related to each factor by an estimated loading factor. The factor formation process is carried out for several factors by considering the eigenvalues ( $\lambda$ ). Formation of acceptable factors is the eigenvalues ( $\lambda$ ) are more than 0.5 (Hair, et al., 2018).

EFA is used in conditions where the researcher does not have initial information or hypotheses must be grouped into whichever variable a set of indicators has been made. Thus researchers depart from indicators (manifest) then form variables (Saeed, et al., 2022). EFA is also used in conditions where latent variables have unclear indicators. indicators of one latent variable may overlap with indicators of other latent variables (Wiktorowicz, 2017). The measurements that indicate that an indicator is included in certain indicators in EFA are the loading factor values (Hair, et al., 2018). When the factor loading value of an indicator is greater than one particular factor, the indicator can be grouped into that factor. By using the EFA method, strategic factors can be found from the creative economy and halal life style that can play a role in regional economic development in Bandung.

Keeping in mind the aim of the study, the data was collected from primary sources. Structured questionnaires were used for research, which were subjected to trials and rearranged. The questionnaire is a structured type. The questionnaire contains questions relating to the concepts studied in the literatures. Identification of the initial factors is contained in Table 1. Researchers found 113 entrepreneurs related to the halal and creative industries. The initial phase of data collection was carried out by contacting 250 candidate respondents. Then only 141 respondents returned the questionnaire, but of the 141 response participants, only 113 questionnaires could be continued to be processed with SPSS software.

**Table 1.** List of Statements

<b>Label</b>	<b>Statements</b>
X1	Ease of financial assistance
X2	Ease of administrative processes for small business
X3	Creative culture among young people
X4	Halal awareness among young people
X5	Views on religious belief
X6	Ease of halal certification process
X7	Support for affordable educational institutions
X8	Technology access assistance for the MSME
X9	Developing the young workforce
X10	Support for product export process
X11	The need for Internet-Friendly City
X12	Adaptive society in digital business
X13	Support for artwork and creativity
X14	Support for the protection of intellectual properties
X15	Collaborative scheme for MSMEs with various agencies
X16	Readiness of creative human resources
X17	Multi-Dimensional Intelligence-based education for young people
X18	Financial institution support for halal and creative industries
X19	Idea sharing forum for SMEs with the government

X20	Support for creativity festivals
X21	Friendly advertising media for MSME
X22	Support for marketing incubators for halal and creative MSMEs
X23	There is a shared creative space for the MSME
X24	Assistance in attending creative/halal product expos abroad

Source: Processed by research team

## **D. DISCUSSION**

### **1. Phase I**

In the EFA study, the first thing to check is the KMO and Bartlett's Test. In Table 2, it can be seen that the KMO value is in the interval 0.891.  $KMO > 0.8$ , indicates the sampling is adequate. And Bartlett's test result shows the value of 2131.072 with a significance level of  $0.000 < 0.05$ , which means there is a correlation between the variables.

**Table 2.** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0,891	
Bartlett's Test of Sphericity	Approx. Chi-Square	2131,072
	df	276
	Sig.	0,000

Source: Processed by research team

The next step is to check the communalities part. Based on Table 3, there are 3 indicators that show  $< 0.5$ . This means that 3 indicators (X20: Support for creativity festivals; X23: There is a shared creative space for the MSME; X24: Assistance in attending creative/halal product expos abroad) can be ignored in this study.

**Table 3.** Communalities

<b>Label</b>	<b>Statements</b>	<b>Score</b>
X1	Ease of financial assistance	0,736
X2	Ease of administrative processes for small business	0,646
X3	Creative culture among young people	0,755
X4	Halal awareness among young people	0,658
X5	Views on religious belief	0,820
X6	Ease of halal certification process	0,741
X7	Support for affordable educational institutions	0,688
X8	Technology access assistance for the MSME	0,680
X9	Developing the young workforce	0,733
X10	Support for product export process	0,684
X11	The need for Internet-Friendly City	0,639
X12	Adaptive society in digital business	0,611
X13	Support for artwork and creativity	0,792
X14	Support for the protection of intellectual properties	0,867
X15	Collaborative scheme for MSMEs with various agencies	0,690
X16	Readiness of creative human resources	0,584
X17	Multi-Dimensional Intelligence-based education for young people	0,738
X18	Financial institution support for halal and	0,788

	creative industries	
X19	Idea sharing forum for SMEs with the government	0,851
X20	Support for creativity festivals	0,313
X21	Friendly advertising media for MSME	0,574
X22	Support for marketing incubators for halal and creative MSMEs	0,942
X23	There is a shared creative space for the MSME	0,296
X24	Assistance in attending creative/halal product expos abroad	0,100

Source: Processed by research team

## 2. Phase II

Before undertaking further analysis, it can be explained about 3 indicators that must be removed. First, Support for creativity festivals (X20). In the experience of the research team, creative young people in Bandung are used to holding big festivals or events in the DIY (Do It Yourself) way. They rarely ask agencies or governments to help with their big events, because this can be seen as a restraint for die-creative ideas in their big events. Second for indicators (X23) There is a shared creative space for the MSME. This is also one of the lack of interest of creative young people in Bandung because they feel they have their own way of being in the community within their circle. With online social media culture, it is also a way for them to share their creative ideas with each other, so they feel they don't really need support for this from the government and various other agencies. The last, (X24) Assistance in attending creative/halal product expos abroad. They feel that assistance with travel expenses like this has a very complicated and bureaucratic level of reporting. Most young people are anti to things like this. After excluding these three indicators, we will run the data again, the results of which will be seen in Phase II. In Table 4, there is an increasing value of the KMO value. is in the interval 0.904.  $KMO > 0.8$ , indicating that the sampling is still adequate.

**Table 4.** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0,904
Bartlett's Test of Sphericity	Approx. Chi-Square
	1997,256
	df
	210
	Sig.
	0,000

Source: Processed by research team

In order to find out the factors that determine the regional economic development based on halal lifestyle and creative industry, in Phase II there are Eigen Value results as contained in Table 5. In the total column can be seen that the component has a total eigen value above 1 is 4 factors.

**Table 5.** Factor analysisfor overall sample

Factors	Name of Dimension	Statement label	Statement	Factor Scores
F1	Economic growth support system	X18	Financial institution support for halal and creative industries	0,821
		X6	Ease of halal certification process	0,791
		X17	Multi-Dimensional Intelligence-based education for young people	0,790
		X8	Technology access assistance for the MSME	0,782
		X9	Developing the young workforce	0,775
		X4	Halal awareness among young people	0,773
		X16	Readiness of creative human resources	0,767

		X7	Support for affordable educational institutions	0,728
		X10	Support for product export process	0,705
		X12	Adaptive society in digital business	0,614
		X11	The need for Internet-Friendly City	0,604
F2	Intellectual support system	X14	Support for the protection of intellectual properties	0,867
		X19	Idea sharing forum for SMEs with the government	0,855
		X5	Views on religious belief	0,847
		X1	Ease of financial assistance	0,834
		X13	Support for artwork and creativity	0,823
		X2	Ease of administrative processes for small business	0,779
F3	Marketing Support System	X22	Support for marketing incubators for halal and creative MSMEs	0,891
		X21	Friendly advertising media for MSME	0,832
F4	Collaborative Culture Support System	X3	Creative culture among young people	0,533
		X15	Collaborative scheme for MSMEs with various agencies	0,513

Source: Processed by research team

**Table 6.** Percentage of variance

<b>Factors</b>	<b>% of Variance</b>
Factor 1 (Economic growth support system)	50,982%
Factor 2 (Intellectual support system)	11,909%
Factor 3 (Marketing Support System)	6,093%
Factor 4 (Collaborative Culture Support System)	4,958%

Source: Processed by research team

Based on the factor analysis result (Table 5) that has been done, from 24 indicators later reduced to 21 indicators. There are factors that consists of four factors: (F1) Economic growth support system; (F2) Intellectual support system; (F3) Marketing Support System; (F4) Collaborative Culture Support System. There are four equations for each factor and their interpretation.

$$F1 = 0,821x_{18} + 0,791x_{6} + 0,790x_{17} + 0,782x_{8} + 0,775x_{9} + 0,773x_{4} + 0,767x_{16} + 0,728x_{7} + 0,705x_{10} + 0,614x_{12} + 0,604x_{11}$$

Entrepreneurs in the halal and creative industries need economic growth support as the most important part as shown in Table 6 with 50.982%. This first factor is the key to regional economic development in the city of Bandung. Creative and halal economic actors in current conditions expect a big role from various parties, especially the government to assist them in scaling up their economic capabilities. In this factor they need support from financial assistance from financial institutions, especially Islamic financial institutions. Then they need support for assistance in carrying out the halal certification process for their products. Next is important support for technological assistance to them, especially assistance in the form of adequate and affordable laboratories for them to carry out a series of tests to ensure the feasibility and guarantee of the halal quality of their products. Still in this factor, they also need a lot of highly educated young workforce who are able to adapt to digital business and e-commerce as the economic heart of today's MSMEs, this certainly requires a city that has adequate

and affordable internet infrastructure. In the end, they need support to expand their market overseas to increase their economic level.

$$F2 = 0,867_{x14} + 0,855_{x19} + 0,847_{x5} + 0,834_{x1} + 0,823_{x13} \\ + 0,779_{x2}$$

In the second factor, entrepreneurs in the halal and creative industries need intellectual support, including the opportunity to frequently participate or be involved by the government in various sharing forums. This factor has the second highest score with 11.909%. Apart from the availability of various forums for exchanging ideas for the advancement of the halal and creative industries in Bandung City, there are also forms of support from various parties, especially the government or ministries and educational institutions such as universities to support these entrepreneurs to get intellectual property protection. Many of them are inventors who create creative products that are often imitated by many people and are detrimental to these inventors. The existing condition is that inventors are not aware of and do not understand about intellectual property protection, so a support system is needed that can oversee the process of the birth of these creative ideas to forms of protection for their creative inventions.

$$F3 = 0,891_{x22} + 0,832_{x21}$$

In the third factor, it is related to the marketing support system. Entrepreneurs need their support to reintroduce many candidate markets for their products and services. It is unknowingly that there are still many entrepreneurs with their creative works who become businesses that fail, not because their products/services are of poor quality, but because they don't know how to market their products properly. Many of them also have the soul of a pure artist and produce creative works with a high level of idealism, so that they often conflict with market interests. This requires a bridge that can connect creative inventions and the right market channels. Such a combination can create a significant market growth pattern and drive overall development success.

$$F4 = 0,533_{x3} + 0,513_{x15}$$

Lastly, the fourth factor is related to the collaborative culture support system. Entrepreneurs often feel confused if they want to enter into a collaboration with various parties, because they are still minimally involved and embraced by various parties to jointly develop cities. In fact, their role in absorbing labor in society is a real form of important contribution to the development of a city. So there is a need for many programs that are deliberately arranged from the start and periodically to cultivate collaboration with halal and creative industry activists, which is an important support system. Together with these four factors, the direction of urban regional development can run bottom-up and the effect can have a difference with the classic top-down ways which are more often like a form of coercion of programs on people who actually need other things for their development.

## **E. CONCLUSION**

### **1. Summary**

In maintaining the balance of development in various cities and regions, urban planning is not only equipped with basic knowledge of urban planning from a spatial perspective, but from urban development from various perspectives. One of the important glasses in urban planning is the regional economy. The economic aspect is one of the steps to encourage a balance in urban development, between cities, especially between regions. This study is aimed at providing an alternative factor that

can be used as a reference in building a regional economy in Bandung, because in this current situation, approach of development policies have been more impressed with a top-down policy approach. This policy is vulnerable to mistargeting because it does not depart from the mindset of the actors at the grassroots. Thus an alternative perspective is needed in assessing important factors that can increase regional economic development, especially the city of Bandung which has the strength as a creative city through the creative economy industry and halal lifestyle. Based on the results of this study, there are four main factors that can increase regional economic development in the city of Bandung through the creative industry and halal lifestyle: (Factor 1) Economic growth support system; (Factor 2) Intellectual support system; (Factor 3) Marketing support system; (Factor 4) Collaborative culture support system. These factors are alternative paths with a bottom-up approach as the foundation for regional economic development in Bandung.

## **2. Suggestions**

The EFA study stage is an initial stage that can open many doors to different types of research. Advanced quantitative research using the Structural Equation Modeling (SEM) method can be carried out by linking the regional economic development variables based on creative industries and halal lifestyle with community welfare variables or with life satisfaction variables perceived by the community, and others. The results of this EFA study can also be followed up with qualitative research to provide an in-depth analysis of the phenomenon. As for practical implications, this study is expected to be a bottom-up alternative model to provide an overview of regional economic development based on creative industries and halal lifestyle.

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