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Strategy For Developing The Meatball Flavored UMKM Business

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ABSTRACT

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This Community Service project aims to analyze the development strategy of micro, small, and medium enterprises (MSMEs) in the culinary business "Bakso Gepeng" located on Jalan Budhi Dewi Sartika. This business has been established since 1998 and has been able to survive until now amidst increasingly fierce competition in the culinary business. The main problem in this research is how to improve the competitiveness of a business that is still conventional amidst the development of digitalization. The method used is a qualitative descriptive approach through direct observation and interviews with the business owner. The results show that the business's strategic location, which is close to hospitals, offices (three banks and one motorcycle dealer), and residential areas, is a major advantage in attracting consumers. In addition, the product price is affordable at IDR 15,000 per portion with a variety of menus such as meatballs, chicken noodles, and drinks. Average sales reach 30-50 portions per day with a net profit of around 40%. Despite having long business experience and loyal customers, limitations in the use of digital technology such as online ordering services still hinder market expansion. However, the use of QRIS as a non-cash payment method shows an initial effort in digital transformation. This study recommends the implementation of digital marketing strategies and delivery services to increase sales and business competitiveness.

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy. In addition to contributing to national economic growth, MSMEs are also a sector capable of absorbing a large workforce, thus contributing to improving public welfare. According to data from the Ministry of Cooperatives and SMEs, MSMEs dominate the business structure in Indonesia and are a key pillar of national economic development (Ministry of Cooperatives and SMEs, 2023).

One of the rapidly growing MSME sectors is the culinary industry. High public demand for food and beverage products has spurred the emergence of various culinary businesses with diverse concepts and marketing strategies. However, this growth has also led to increasingly fierce competition. Businesses are required to create a competitive advantage to maintain and grow their businesses amidst the dynamic business environment (Kotler & Armstrong, 2021).

According to Law Number 20 of 2008 (2008) concerning Micro, Small, and Medium Enterprises, a micro enterprise is a productive enterprise owned by an individual and/or a sole proprietorship that meets the criteria for a micro enterprise as stipulated in the law. Meanwhile, a small enterprise is a productive economic enterprise that stands alone and is not a subsidiary or branch of a company owned, controlled, or part of a medium or large enterprise that meets the criteria for a small enterprise as stipulated in the law.

The development of digital technology has brought significant changes to consumer behavior when purchasing products and services. Today's consumers tend to prioritize convenience, speed, and flexibility in transactions. These changes have driven the increased use of digital platforms, including social media, online food ordering apps, and various electronic payment methods, in everyday consumption activities (Chaffey & Ellis-Chadwick, 2019). Therefore, MSMEs need to adapt to technological developments to remain competitive and meet changing consumer needs.

In the context of culinary MSMEs, the use of digital technology extends beyond promotional and marketing activities to encompass operational management, transaction recording, customer service, and digital payment systems. One widely used innovation today is the Quick Response Code Indonesian Standard (QRIS), developed by Bank Indonesia. The implementation of QRIS facilitates consumer payments while supporting financial inclusion and transaction efficiency for businesses (Bank Indonesia, 2024).

Bakso Gepeng is a culinary MSME located on Jalan Budhi Dewi Sartika. This business is strategically located near healthcare facilities, office areas, and residential areas. In addition to serving sales on-site, Bakso Gepeng also uses a mobile cart to distribute its products to consumers. This demonstrates an effort to expand its market reach and increase product accessibility to the public.

Despite its advantageous location and relatively affordable prices, the Bakso Gepeng business still conducts most of its business activities conventionally. The use of digital technology, particularly in marketing and online ordering, remains suboptimal. Yet, various studies show that implementing digital marketing can help MSMEs expand their market, improve customer interaction, and enhance business competitiveness (Purwana, Rahmi, & Aditya, 2017). This lack of digital technology utilization has the potential to lead to underutilization of business development opportunities.

Considering these conditions, the combination of a strategic business location, competitive pricing, good product quality, and the implementation of appropriate digital marketing strategies is believed to significantly improve business performance. Therefore, an analysis of the Bakso Gepeng business situation is necessary to identify its strengths, weaknesses, opportunities, and threats. This allows for the formulation of a business development strategy tailored to its conditions and needs.

Based on the description, this study aims to analyze the condition of the Bakso Gepeng business and formulate appropriate development strategies to increase competitiveness and business sustainability amidst increasingly competitive culinary business competition.

II. METHODS

This research uses a qualitative descriptive method. Data were collected through:

1. Direct observation of the business activities of Bakso Gepeng
2. Interview with business owner
3. Documentation related to business operations

Data analysis was carried out using a descriptive approach to describe the current business conditions, including the advantages and obstacles faced.

III. RESULTS AND DISCUSSION

Based on observations, the Bakso Gepeng business exhibits a fairly stable sales pattern, particularly during lunch and evening hours. This is influenced by its location in a high-traffic area, such as a hospital and office complex. Its primary customers are office workers, hospital visitors, and residents of the surrounding housing complex.

Furthermore, this business has been established since 1998, demonstrating a high level of sustainability amidst the competitive culinary industry. This extensive experience indicates that the business has a loyal customer base and is able to maintain product quality over time. This factor also strengthens consumer trust in Bakso Gepeng.

The presence of mobile carts contributes additional revenue to the business. This model allows for broader market reach compared to relying solely on sales at a single location. However, this system still relies on manual processes and is not yet integrated with a robust sales recording system.

Based on the results of observations and interviews, several findings were obtained as follows:

Table 1 Characteristics of the “Bakso Gepeng” Business

No	Aspect	Information
1.	Year of Establishment	1998
2.	Location	Strategic (near RSUD, bank, dealer, housing)
3.	Product	Meatballs, Chicken Noodles, Drinks
4.	Price	Rp. 15,000 per portion
5.	Sale	30-50 servings / day
6.	Profit	40%
7.	System	Offline (Home + Mobile Cart)
8.	Labor	Husband and Wife + 1 Employee
9.	Payment	Cash + QRIS

A. Competitive Advantage

In terms of competitive advantages, Bakso Gepeng has several supporting factors, including relatively affordable prices compared to competitors, menu variety (meatballs, chicken noodles, and drinks), and consistent taste. The price of Rp15,000 per portion is considered appropriate for the purchasing power of the local community.

Furthermore, the company's experience since 1998 is a distinct advantage, reflecting its success in maintaining quality and long-term customer loyalty. Many culinary businesses fail to survive, so this business's sustainability is a valuable asset in building its reputation.

Furthermore, the implementation of QRIS payments offers added value, especially for consumers accustomed to cashless transactions. This demonstrates that, despite still being a conventional business, owners are starting to adapt to developments in financial technology.

B. Weaknesses and Challenges

On the other hand, there are several weaknesses worth noting. This business hasn't yet utilized digital platforms like social media or delivery apps. As a result, its market reach remains limited to consumers near its physical location.

Furthermore, the lack of strong branding, such as a logo, attractive packaging, or a consistent business identity, also poses a barrier to increasing product appeal. In an increasingly competitive environment, visual and marketing aspects are crucial factors in attracting consumer interest.

C. Development Opportunities

The potential for growth in the Bakso Gepeng business is significant, particularly through digitalization. By registering with online platforms such as delivery services, owners can reach a wider customer base without needing to expand their physical presence.

Furthermore, social media promotional strategies can be used to increase business visibility. A business's extensive experience can also be used as a selling point *in* marketing strategies, for example, by emphasizing that the business has been established since 1998.

D. Implications and Contributions

The results of this study indicate that culinary MSMEs like Bakso Gepeng have significant growth potential if they can combine traditional advantages (location and price) with digital innovation. Digital transformation doesn't have to be complex; it can start with simple steps like online promotions and integrating delivery services.

Thus, this research provides a practical contribution for MSMEs in understanding the importance of adapting to changes in consumer behavior and technological developments in increasing business competitiveness.



Figure 1 “Bakso Gepeng” Business

IV. CONCLUSION

Based on the research results, the Bakso Gepeng business has good potential for growth, supported by a strategic location, affordable prices, and a business experience that has been running since 1998. The business's sustainability for more than two decades demonstrates strong customer loyalty and consistent product quality that is well maintained. However, limitations in the use of digital technology remain a major obstacle in expanding the market and increasing competitiveness. Therefore, a development strategy is needed through planned and gradual digitalization, such as the use of social media, registration on delivery service platforms, and strengthening the business's brand identity. By combining the business's proven traditional strengths with the adoption of digital innovation, Bakso Gepeng is expected to increase competitiveness, expand market reach, and ensure business sustainability amidst the increasingly dynamic and competitive culinary business competition in the future.

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LIST OF PARTICIPANTS

- Owner of Meatball Gepeng business
- Devotee

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