



Analysis of the Growth Potential of Culinary MSMEs in Tanjungpinang City

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Abstract

The main purpose of this research is to uncover the opportunities and obstacles faced by small and medium culinary businesses in Tanjungpinang City. This study uses a qualitative approach to collect data through direct observation, interviews with business actors, and document studies. The data used came from primary sources (interview results, observations) and secondary sources (literature, statistical data). The results of the study show that a strategic business location is very important for the success of the culinary business. An easily accessible location not only increases the number of customers, but also provides a competitive advantage over competitors. The increase in the number of tourists in Tanjungpinang has a positive impact on the development of the culinary business. Tourists who come are looking for a unique and varied culinary experience. SWOT analysis is used to identify internal and external factors that affect the development of culinary MSMEs in Tanjungpinang. The results of the analysis show that external factors have a higher weight.

Introduction

Tanjungpinang, the capital city of Riau Islands Province, Indonesia, has experienced significant potential and challenges in developing MSMEs (Culinary Businesses) in recent decades. The background of the city's economic development reflects complex and diverse changes, influenced by geographical, historical, social, and policy factors (Liu & Kang, 2023; Leigh, 2024; Malizia et al., 2021). Geographically, Tanjung Pinang's position as the main gateway to the Riau Islands provides strategic advantages for its economic growth. As the main port cities, among others: Sri Bintan Pura Port, Roro Dompok Port, Tanjung Moco Dompok Port, Sri Payung Port. Tanjungpinang is the center of trade and transportation activities in the region. The existence of efficient ports has facilitated the flow of goods and people, fostered regional connectivity, and created investment opportunities. The history of this city also contributes to the potential and challenges in developing MSMEs (Culinary Businesses) in Tanjungpinang City (Tanjungpinang Kota District). As the former center of government of the Riau-Lingga Sultanate, Tanjungpinang holds cultural and historical heritage that is a tourist attraction. The development of the tourism sector is one of the drivers of economic growth, with the promotion of local culture, festivals, and natural tourist destinations that attract domestic and international visitors (Vareiro et al., 2021; Meyer et al., 2015; Ashley et al., 2007).

Micro, small, and medium enterprises (MSMEs) have an important role in the national economy. This important role is that MSMEs have a significant contribution to economic growth, job creation, community empowerment, and economic inequality reduction (Tekola & Gidey, 2019). In the midst of the threat of recession, MSMEs have developed into the drivers of the national economy and play an important role in Indonesia's economic growth (Mulyani

& Mulyadi, 2019). The obstacles and challenges that are weaknesses for MSMEs come from internal and external factors, including: 1) Feeling that they do not need or have never conducted feasibility studies, market research, cash/cash turnover analysis, and various other studies required for a business activity, 2) Not having long-term system planning, adequate accounting systems, capital need budgets, organizational structure and delegation of authority, as well as other managerial activity tools (planning, implementation and business control) that are generally needed by a profit-oriented business company, 3) a narrow and limited mindset in the short term with the principle of "what is important can eat today", 4) labor turnover (layoffs) are high, 5) Too many expenses that are out of control and debts that are not useful, 6) Disproportionate division of labor, 7) Lack of ability to plan and use existing capital (Lestari et al., 2021).

Innovation and effective marketing strategies also play an important role in increasing the success of MSMEs. MSMEs must be able to adapt to changing business models and promote their products in a more effective way. Thus, these potentials must be used as the basis for the development of MSMEs in Tanjungpinang City to increase regional economic growth and improve the quality of life of the community (Juwairiyah et al., 2022) In the context of MSMEs in Tanjungpinang City, the potential can be in the form of superior products, creative efforts, the use of social media, and marketing strategy innovations. Business opportunities related to the food and beverage industry (culinary) have quite good prospects and are relatively easier to start a business than other businesses, although starting a business is an easy job and can be done by everyone, but still have strong beliefs and values for independent business, courage ability, and opportunity are elements that must be strengthened to become entrepreneurs. The culinary business has many categories, ranging from snacks (snacks), drinks, to staple foods. All categories in this culinary business (snacks, drinks, staple foods) have very good potential, depending on how we market them (Harris et al., 2023; Rizkiyah et al., 2022). It can be seen that the potential of culinary businesses as a new tourist attraction. Culinary tourism still needs attention and development from the government and management parties in this field. Both in terms of facilities, services, development, and promotion to tourists to get to know more about the potential of culinary tourism in Tanjungpinang City as one of the tourist attractions in tourism development in Tanjungpinang City (Gozali & Wijoyo, 2022).

According to the Data on Micro Business Actors Per Year of the Cooperative and Micro Business Manpower Office in 2019-2022 in Tanjungpinang City has a number of MSMEs as many as 924 business actors, and Senggarang as many as 1,071 business actors. In 2020-2022 Tanjungpinang experienced a decline, this is due to the 2019-2022 Covid-19 pandemic which disrupted business activities so that Tanjungpinang City MSMEs declined, capital difficulties, social restrictions and travel restrictions can also limit the operation and growth of MSMEs. In addition, human resources that are not strong in competition, human resources who only follow the trend where it only runs for a while.

The problem that occurs in the culinary business is the emergence of competition between other culinary businesses, both from the region and from outside the region. The fierce competition of an ordinary area that is used as a culinary business place today if balanced with good performance management will make the culinary business place become more advanced and developing, and vice versa. This can be seen from the number of culinary businesses in Tanjungpinang is increasing. There is also more competition between businesses in terms of taste and all kinds of new innovations that include activities or facilities provided by other tourist villages, so it is necessary (Ishadi et al., 2020).

MSME actors in Tanjungpinang City are still faced with various challenges, especially fierce competition from other business actors. In addition, the lack of understanding of the market

and modern technology is also a challenge that must be overcome by MSME business actors in Tanjungpinang City. Therefore, research on the potential and challenges in developing culinary businesses in Tanjungpinang City, as well as providing recommendations and strategies that can be implemented by MSME actors in Tanjungpinang City.

Methods

This study uses qualitative research methods. Qualitative research is the collection of data in a natural setting with the intention of interpreting the phenomenon that occurs where the researcher is the key instrument, sampling of data sources is carried out purposively and snowball, the collection technique with triangulation (combined) data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalization (Anggito, 2018).

This study combines descriptive methods with qualitative approaches as the research methodology. Qualitative descriptive research is defined as research that describes an object of study or phenomenon that surrounds it with the aim of determining how to direct future research to ascertain what is actually happening.

Results and Discussion

SWOT Analysis Matrix

The tool to measure a company's strategic factors is the SWOT Matrix. This matrix can clearly illustrate what external opportunities and threats are perceived. Four possible alternative strategies can be generated by the matrix, which can be seen in the following table:

Table 1. Four possible alternative strategies

		Strengths	Weaknesses
Efas	Ifas	Relatively cheap price	Low competitiveness
		Reputation and experience	with product sales
		Culinary Business	the same
		Have customers who	Lack of innovation in
		Always buy products	menu Limited access to capital to expand or Developing a Business culinary
Opportunities		S-O Strategy	W-O Strategy
Strategic business location and easy to access		Increase Variations Product to pull customer that have preferences are different.	Boost Possible customers to shop and Increase Volume Sales
High visits tourists to the city		Increase competitiveness and improve the quality	MSME actors can Sell online for
Tanjungpinang		community life with	minimizing weather conditions
There is a <i>new</i> tren in culinary can to withdraw		offer products that Quality and Experience	MSME actors can adding new culinary with little capital

customer	Culinary that is considered good in the eyes of customers Increases power Competitive and improve quality of life of the community by offering products quality and location strategic and attractive customers with the presence of New trends in culinary	
Threats	S-T Strategy	W-T Strategy
Dependence on the season (weather) Fluctuating raw material prices Sales only happen momentarily following the ongoing trend	MSME actors can equalize prices against competitors MSME actors can maintain the taste so that customers continue to buy MSME actors can increase sales by following existing <i>trends</i> to increase sales at a time when the customer economy is uncertain	MSME actors can attract customers by innovating sales MSME actors can do it online, regardless of the weather nor do they require additional capital costs MSME actors can add innovation by adding flavor variants only

In the grand strategy, there are four alternative strategic steps that can be carried out by MSME actors to develop culinary businesses in Tanjungpinang Kota District, namely:

Strategi S-O (Strengths and Opportunities)

A strategy that has indicators of strength and opportunity, its application is how strength can take advantage of existing opportunities.

Increase product variety to attract customers who have different preferences.

Determine the type of product that is in great demand by the local community, then offer products that are relevant to their needs, such as providing products that have a local touch. Continue to follow local developments or trends to adapt and know that the products sold are always relevant (Muça et al., 2021).

Increase competitiveness and improve the quality of life of the community, by offering quality products and culinary experiences that are considered good in the eyes of customers.

Applying high standards to society such as cleanliness, safety, and proper cooking techniques. Constantly developing exciting new products, as well as providing good service, can increase customer satisfaction and differentiate your business from competitors. (Alshurideh et al., 2022).

Increasing competitiveness and improving the quality of life of the community by offering quality products and strategic locations and attracting customers with new trends in culinary.

By offering quality products in strategic locations and adopting the latest culinary trends, businesses can significantly increase their competitiveness. This not only impacts the success of the business itself, but also improves the quality of life of the community by providing

healthy and innovative food options, as well as supporting the local economy through job creation and regional development. The combination of these factors creates a dynamic and sustainable environment, where society can thrive and enjoy the benefits of superior products and services (Irvan Ali & Natsir, 2023).

Strategi W-O (Weakness and Opportunities)

A strategy with weakness and opportunity indicators where its application is to overcome weaknesses that hinder profits (Naim, 2024).

Increase customer likelihood of shopping and increase sales volume

Ensuring each product meets high and consistent quality standards. Customers are more likely to return if they know that they can count on the quality of your product.

MSME actors can sell online to minimize weather conditions

By selling online, MSME actors can overcome the challenges of bad weather and take advantage of opportunities to develop further. In addition to increasing flexibility and efficiency, a strong online presence can also open the door to larger, more sustainable business growth.

MSME actors can add new culinary with little capital MSME actors can add new culinary with minimal capital, utilize existing resources, and remain competitive in the culinary market. Creativity, good research, and the use of technology can help maximize potential without having to spend a lot of money.

Strategi S-T (Strengths and Threats)

A strategy where there are indicators of strength and threats where the application is how the force can overcome existing threats.

MSME actors can equalize prices against competitors

By equalizing prices against competitors, MSME players can remain competitive in the market while still offering additional value that makes them stand out

MSME actors can maintain the taste so that customers continue to buy

MSME actors can maintain the taste of their products and ensure regular customers. Consistency in quality and taste is key to building a good reputation and gaining customer trust in the long run.

MSME actors can increase sales by following existing trends to increase sales at a time when the customer economy is uncertain

By following and adapting to trends, as well as using smart and flexible marketing strategies, MSME actors can increase sales even in an uncertain economy. Rapid response to change and continuous innovation is key to staying relevant and competitive in the market (Hikmahwati & Sahla, 2022).

Strategi W-T (Weakness and Threats)

Strategies where there are indicators of weaknesses and threats where the application is how to overcome weaknesses that are able to make threats real or create new threats.

MSME actors can attract customers by innovating sales

By carrying out these various innovations, MSME actors can attract more customers, increase customer satisfaction, and ultimately increase sales. Continuous innovation and focus on customer needs and preferences are key to staying competitive in a dynamic market.

MSME actors can do it online, regardless of the weather nor do they require additional capital costs

With this, MSME actors can optimize their online business without depending on the weather and without requiring large additional capital costs

MSME actors can add innovation by adding flavor variants only

By adding new variants or products, MSME players can expand their product range and attract more customers with different preferences. These innovations not only increase the variety of your products, but can also increase customer appeal

Research Data Analysis

Based on the SWOT analysis carried out using the Internal Factor Evaluation (IFE matrix) and External Factor Evaluation (EFE Matrix) methods mentioned above, the researcher can analyze that the implementation of SWOT analysis in the culinary business in Tanjungpinang City on the company's external factors is the position of Opportunities which is greater when compared to the position of Threats and internal factors in the position of Strengths has a greater score value when compared to the Weaknesses position, in the internal factor the weight of the Strengths value in the culinary business in Tanjungpinang City is (0.501) and the weight of the Weaknesses value in the culinary business in Tanjungpinang City is (0.500), while in the external factor the culinary business in Tanjungpinang City has an Opportunities value weight of (0.513) while in the Threats position has a value weight of (0.486) (Zahra et al., 2021)

Based on the weight of the values mentioned above, as explained in the theoretical foundation chapter, SWOT analysis based on internal and external factors states that a good company is if the Opportunities are greater than the threats and if the Strengths are greater than the Weaknesses and vice versa. So, based on the weight of the SWOT analysis value above, culinary businesses in Tanjungpinang City are a good business, because the company's internal factors the position of Strengths has a greater weight of value when compared to Weaknesses and on external factors the weight of the Opportunities value is also greater when compared to the weight of the Threats value, so that in this case the culinary business in Tanjungpinang City has implemented SWOT analysis, but not entirely, so that in this case culinary businesses in Tanjungpinang City must re-optimize the implementation of SWOT analysis so that culinary businesses in Tanjungpinang City can be more comprehensive in knowing the state of the business being run.

Conclusion

The conclusion of the analysis of internal and external factors and strategies faced by MSME actors in the culinary business shows that despite the strengths such as competitive prices, good reputation, and strategic location, they also face weaknesses such as fierce competition and dependence on the weather. On the external side, opportunities such as the increasing number of tourists and new culinary trends can be taken advantage of, but the threat of economic fluctuations and raw material prices must be watched out for. Therefore, MSME players need to implement strategies that include increasing product variety and online sales to overcome weaknesses and threats, while taking advantage of existing strengths and opportunities to increase competitiveness and sales volume.

Culinary entrepreneurs are advised to create a unique and memorable dining experience by implementing thematic restaurant concepts, serving interesting food, and increasing interaction between chefs and customers. Effective sales strategies, such as market segmentation, proper targeting, and promotions and discounts, also need to be implemented to achieve sales targets. In addition, the use of social media as a buying and selling platform is very important, especially to overcome weather constraints that can reduce direct customer visits. With continuous innovation and the right strategy, businesses can attract new customers, maintain competitiveness, and create opportunities for growth and customer loyalty. Further research is expected to develop these results as a reference to explore more deeply the potential and challenges in the culinary world.

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