

Business Development Strategies to Increase Sales Volume at UMKM Roti Cantik

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Abstract. Micro, Small and Medium Enterprises (MSMEs) in the Indonesian Economy play an important role in national growth, mainly for job creation, increasing income, rural economic growth, increasing non-oil and gas exports, and increasing gross domestic product (GDP). Roti Cantik is one of an MSME that produces bread, which is located in Bumi Harjo village, Batanghari East Lampung. Since the covid 19 pandemic in 2019, sales at Roti Cantik have decreased, at the beginning of 2022 there has been an increase but still not optimal. Research findings, the researcher analyzed the right strategy for the Roti Cantik SME using three analysis tools, namely SWOT analysis., QSP Matrix Analytical Hierarchi Process (AHP) funds. From the combination of the analysis that has been done, it is concluded that the main strategy that is right for UMKM Roti Catik to develop the business is the Market Development Strategy (MDS) strategy. With the MDS strategy, it is intended that the determining actor in the policy in business development is the business owner himself and with the main priority, namely by developing or opening new markets other than the main market in marketing Roti products and opening new distribution channels for marketing Roti Cantik products.

Keywords: Promotion Strategy, QSPM, SWOT, and AHP

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are a major contributor to sustainable economic development in the country. MSMEs have a huge impact on the Gross Domestic Product (GDP) and unemployment reduction. MSMEs represent a framework of entrepreneurial initiatives and free entrepreneurship, an important element that determines a competitive economy [1]. In good satisfactory and supported by maximum promotion, the expected results will be achieved, namely making universities superior and in demand by the community.

Small and medium-sized enterprises are also among the enterprises that managed to escape from the economic crisis after 1997, besides that MSMEs have also become a being a relief valve for the country's economic recovery as it has the ability to contribute significantly to the GDP and employment [2]. Various efforts to make MSMEs a driver of the economy still face various challenges related to their nature of revenue collection. The managed business has the general

characteristics of a family business, is aimed at increasing income using relatively simple methods, and business capital and personal needs are not separated [3].

Table 1. MSME Criteria

No	Description	Criteria	
		Asset	Turn Over
1.	Micro Enterprises	Max 50 Million	Max 300 Million
2.	Small Enterprises	> 50 Million - 500 Million	> 300 Million - 500 Million
3.	Medium Enterprises	> 500 Million - 10 Billion	> 2.5 Billion - 50 Billion

Note: *does not include land and buildings where the business is located

Source: MSME Law

Roti Cantik is an MSME engaged in food which is located in Bumi Harjo Village, East Lampung Regency. The problem that occurs in this Roti Cantik MSME is the decrease in sales at Roti Cantik starting when the new coronavirus pandemic happened in 2019 after current Pandemic sales have started to increase but still have not reached the sales target from the year before the Covid 19 Pandemic occurred.

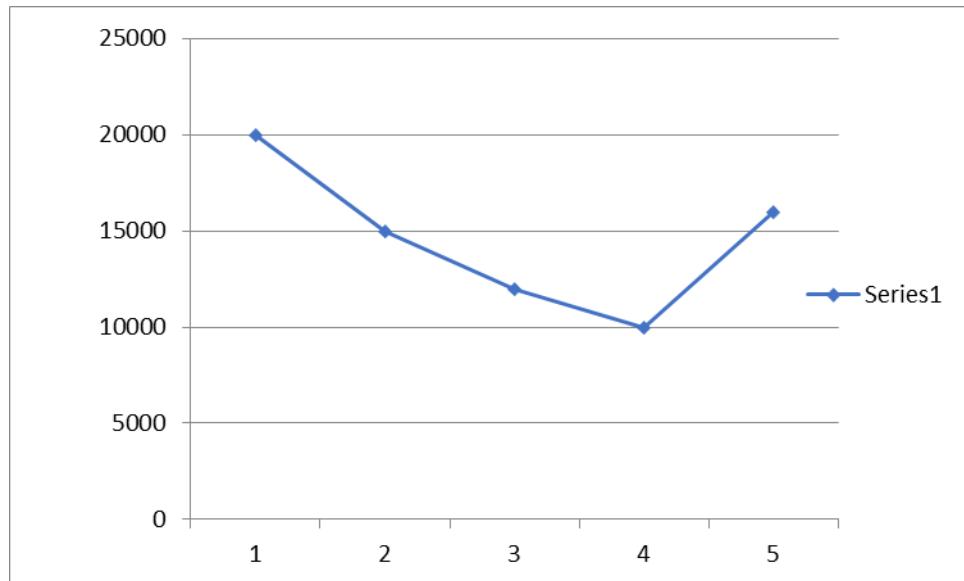


Figure 1. Sales status of Roti Cantik from 2020 - 2022

The purpose of this research is to find and formulate the right marketing strategy for Roti Cantik to increase sales.

2. Research Methods

Type of research

This research uses non-probability sampling, this refers to a sampling method in which each element or member of the population does not have an equal chance of being selected as a sample and purposive sampling technique, namely respondents are selected deliberately and sampling methods taking into account specific considerations. This method can be interpreted as a sampling process in which the number of samples taken is determined in advance and the sampling is carried out on the basis of a specific purpose, provided that it does not deviate from the characteristics of the sample group [4].

Data analysis technique

Processing of research data is analyzed and processed quantitatively using computer aids with the Microsoft Excel program. And Software Expert Choice 11. The analysis in this study begins by identifying environmental factors in UKM Roti Cantik, both internal and external environments. Internal environmental analysis is carried out to see and know the factors that become the strengths and weaknesses of the company, while external environmental analysis is carried out to see the factors that become threats and opportunities for UM Metro (SWOT Analysis).

Quantitative Strategic Planning Matrix (QSPM) Method this strategy can be used in defining marketing strategies is the QSPM technique. Quantitative Strategic Planning Matrix (QSPM) is an insightful tool for thinking fairly about different organizational techniques with different threats. With the QSPM technique analysis tool, organizations can see alternative strategies that can be used [5]. Analytical Hierarchy Process (AHP) in research, analyze infrastructure selection decision making with the method Analytical Hierarchy Process method. Analytical Hierarchy Process has 3 (three) Basic Principles of Problem Solving [6]:

Decomposition, comparative judgment, and logical ordering. So that the AHP procedure outline includes the following stages:

1. Problem decomposition

Problem decomposition is the step of systematically describing predetermined objectives in a framework. That compile a series of systems until the goal can be achieved rationally [7]. In this study, decomposition is carried out into several elements of criteria that influence decision making on infrastructure type selection.

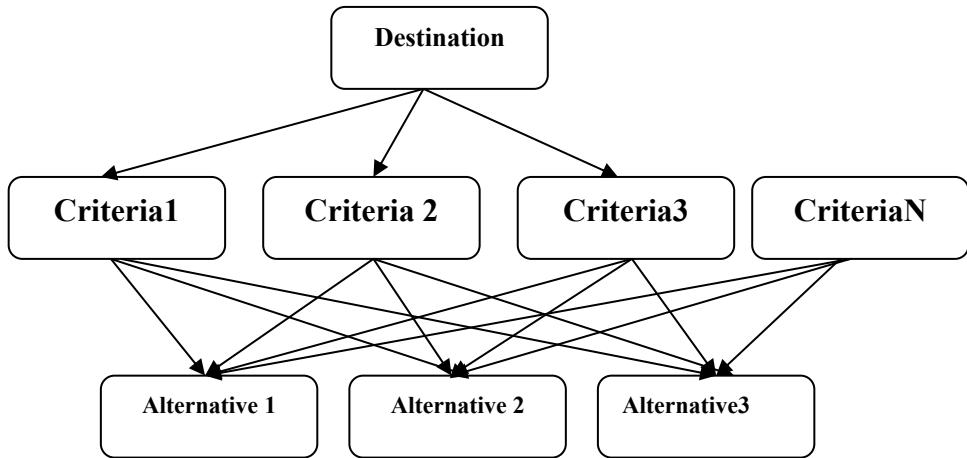


Figure 2. Decision-making Hierarchy Model in AHP

2. Prioritization

After the hierarchy model is organized, the next step is to prioritize. The decision-making process is to make comparisons between criteria in pairs. This pairwise comparison is done by forming a value matrix. The value matrix is filled with priority values [8]. The priorities that have been determined against the criteria of the hierarchical structure are formed into a pairwise matrix.

Table 2. AHP Basic Scale for Pairwise Comparison

Intensity Interests	Definition	Explanation
1	Both factors are equally important	Two factors contribute equally to property
3	Some aspects are a little more important than others	Experience and judgment give one aspect a slight advantage over another
5	An element is important or very important compared to other elements.	Experience and judgment clearly favor one element over another
7	Some factors are clearly more important than others.	One aspect is very favorable and the advantages are really visible
9	One element is absolutely more important than the other	Evidence favoring one element over the other has the highest degree of corroboration possible.
2,4,6,8	Values between two adjacent considerations	Compromise is required between two considerations
Opposite	If an activity <i>i</i> gets one number when compared to an activity <i>j</i> , then <i>j</i> has	

the opposite value when compared to activity i .

Source [9]

3. *Logical Consistency*

In addition to hierarchy and prioritization, the third basic principle of AHP is logical consistency. The meaning of logical consistency is a person's consistent judgment when deciding something [10].

Table 3. Pairwise Comparison Matrix

C	A ₁	A ₂	A ₃	A _n
A ₁	a ₁₁	a ₁₂	a ₁₃	a _{1n}
A ₂	a ₂₁	a ₂₂	a ₂₃	a _{2n}
.....
A _n	a _{n1}	a _{n2}	a _{n3}	A _{nn}

An AHP scale assessment is said to be consistent if the weighting scale on a pair of choices does not deviate from the weighting scale with other choices (11). Suppose an expert gives an assessment that product A is preferred 3 times over product B, and product B is preferred 2 times over product C, then the expert must give a value that product A is preferred 6 times over product C. The coefficient of stability (CR) is used to measure the stability of pairwise comparisons. The stability coefficient is a comparison of the stability index (CI) and the random mean index (RI).

Consistency Ratio (CR) formula

$$\lambda_{\max} = \frac{\lambda}{n} \quad CI = \frac{\lambda_{\max} - n}{n-1}$$

Note :

CI = Consistency Index (deviation from consistency) $_{\max}$ = eigen value maximum

N = Matrix size

RI = Random Index (consistency index of the reciprocal matrix)

4. Results And Discussion

Specific Description of Research Results

Identification of Strengths, Weaknesses, Opportunities and Threats

It is based on visits and research activities carried out by the researcher in the studied locations, the identification and analysis of the strategic environment of UKM Roti Cantik is compiled, including the following.

Strengths

1. Product variants offered are many and varied
2. Low product price
3. Continous production
4. The raw material used are good and halal
5. Halal cerified
6. The intended segmentation is clear

Weaknesses

1. Lack of promotion
2. Less strategic location
3. Limited access to new markets
4. Long production process
5. Intense competition from similar businesses
6. Limited human resources

Oportunities

1. Many cafes have sprung up so it is possible to cooperate
2. Utilization of social media as an effective marketing platform
3. Collaboration with influencers to increase brand awareness
4. Opportunity to develop regional bread products with its own characteristics.
5. Opportunity to establish partnerships with local retailers such as supermarkets and minimarkets
6. Increased public interest in environmentally friendly product packaging

Threats

1. The number of producers with similar product in the region
2. Raising raw material prices that may reduce margins
3. Trends in consumer taste change quickly
4. Threat of weather changes that can disrupt the production process and availability of raw materials.
5. Competition from online bakery businesses
6. Consumers prefer national products with more established brands
7. The influence of social media and negative review can damage a bakery's reputation

Formulation of Alternative Strategy

IE Matrix

From the results of the weighting of the IFE and EFE matrices, a weighted total score is obtained. The score for the IFE matrix is 3.170 and the score for the EFE matrix is 3.224. Based on the results of the two matrices, it is known that UMM in marketing its tickets is in quadrant I (Figure 2). The strategy that can be chosen in quadrants I, II, IV is develop and create both

target strategies (market penetration, market development, product development) and Integration Strategies (backward integration, forward integration, horizontal integration). Following is an image of the IE Matrix matching matrix.

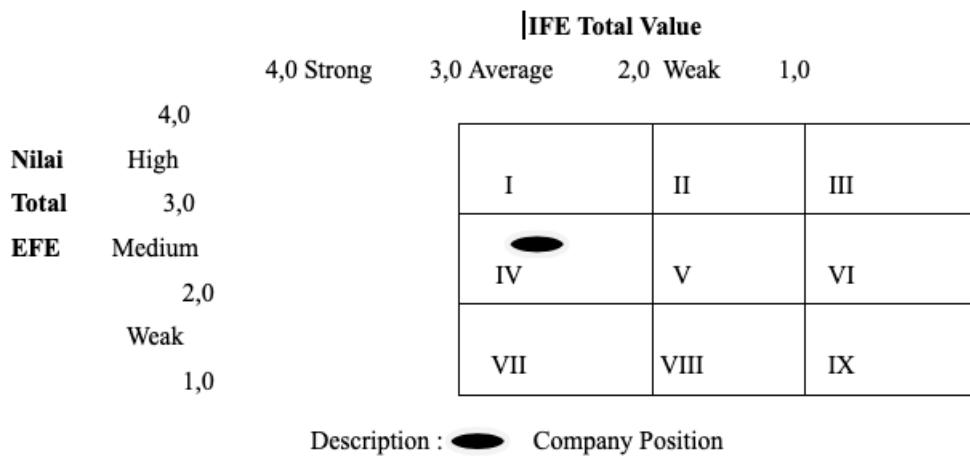


Figure 3. IE Matrix

SWOT Matrix

The SWOT matrix is created based on the identification of the internal and external environment in the form of strengths and weaknesses, opportunities and threats that the company faces [12]. The analysis of SWOT matrix gives four alternative strategies namely SO (Strengths-Opportunities), WO (Weakness-Opportunities), ST (Strengths-Threats) and WT (Weakness-Threats)..

Table 4. SWOT Analysis

	Strengths (S)	Weaknesses (W)
Internal Factors	<ol style="list-style-type: none"> 1. Product variants offered are many and varied 2. Low product prices 3. Production is carried out continuously 4. The raw materials used are good and halal 5. Halal certificate 6. The intended segmentation is clear 	<ol style="list-style-type: none"> 1. Lack of promotion 2. Less strategic location 3. Limited access to new markets 4. Long production process 5. Intense competition from similar businesses 6. Limited human resources
External Factors		

Opportunities (O)	Strategy SO	Strategy WO
<ol style="list-style-type: none"> 1. Many cafes have sprung up, making cooperation possible 2. Utilization of social media as an effective marketing platform 3. Collaboration with influencers to increase brand awareness 4. Opportunity to develop regional bread products with its own characteristics. 5. Opportunity to establish partnerships with local retailers such as supermarkets and minimarkets. 6. Increased public interest in environmentally friendly product packaging 	<ol style="list-style-type: none"> 1. Increase market share by cooperating with other regional retailers and reaching out to regional areas for Roti Cantik product delivery. 2. Intense and continuous promotion of products and introducing products with typical bread for the east Lampung area which is cheap and delicious. 3. Cooperate with cafes in the neighborhood to sell bread products bundled with coffee 	<ol style="list-style-type: none"> 1. Participate in local events to Promote the bread in the market and also to target new markets. 2. Making premium level bread to introduce the Roti Cantik brand in the market. 3. Recruit human resources who understand market promotion and as admin macketing of UKM Roti Cantik.

Threats (T)	Strategy ST	Strategy WT
<ol style="list-style-type: none"> 1. Number of producers with similar products in the region 2. Rising raw material prices that can reduce margins 3. Trends in consumer tastes change quickly 4. Threats of weather changes that can disrupt the production process and availability of raw materials 5. Competition from online bakery businesses 6. Consumers prefer national products with more established brands 7. Influence of social media and negative reviews that can damage the bakery's reputation. 	<ol style="list-style-type: none"> 1. Search for a new formula that is suitable for the existing raw materials for efficiency related to production costs. 2. Provide halal information both on the packaging and in the promotional facilities. 3. Cooperate with grab and gojek facilities to facilitate sales. 4. Producing similar products with a focus on developing products with the greatest market interest. 	<ol style="list-style-type: none"> 1. Create accounts on social media and promote on various social media platforms. 2. Recruit special human resources for social media admins so that they focus on working on promotional activities. 3. Product innovation with similar prices and products 4. Making bread products with different segments.

QSPM Matrix

The decision stage is the final stage in the formulation of alternative strategies, namely determining the best and most appropriate alternative strategies for the company to carry out based on the relative attractiveness of implementing these strategies. The analysis used in determining this decision uses the QSPM matrix as well as the QSP matrix (12). The QSP Matrix decision is an analytical tool used for strategic decision making. Decision making is based on alternative strategies based on the IE and SWOT matrices. The alternative strategies chosen are marketing development plan, product development plan, brand image plan and market penetration plan. According to the results of calculations using QSP matrix analysis (table 13), the main alternative strategy that has the highest TAS value is Market Development Strategy (MDS) with a TAS value of 6.123. This strategy is carried out by increasing market share with a focus on increasing opening new markets not only sales are carried out around Metro City, East Lampung, Central Lampung but marketing can be carried out in all regions in Lampung [14].

The second priority strategy is Market Penetration Strategy (MPS) with a TAS value of 5.844, which is to carry out intensive and effective promotional activities, and optimize distribution channels with the aim of creating image building and increasing market share. This strategy can be carried out, one of which is by conducting promotions, especially on social media and e-commerce, which are currently busy and intensively carried out by MSMEs and traders. Not only MSMEs, even large stores and supermarkets also sell online via social media and e-commerce (15). The third priority strategy is Product Development Strategy (PDS) with a TAS value of 5.794, namely creating new products with new variants and making products with premium segments so that they can collaborate with other shops or cafes around the city of Metro and East Lampung (16). The last alternative strategy is Brand Image Strategy (BIS) with a TAS value of 5.767, namely participating in culinary bazaar activities continuously to introduce bakery products in the market.

Strategy Formulation with Analytical Hierarchy Process (AHP) Analysis Method

In strategy formulation using QSP Matrix analysis, the best alternative strategy for UKM Roti Cantik is the Market Development Strategy (MDS) with the highest TAS value. The QSP Matrix questionnaire was distributed to the UKM Roti Cantik. In addition, researchers also distributed questionnaires to respondents from the general public, and UKM Roti Cantik and use Analytic Hierarchy Process (AHP) analysis. Before taking data using the AHP method, the previous thing to do is to create a hierarchical structure. The following is a picture of the hierarchical structure in the AHP analysis for UKM Roti Cantik.

In the AHP analysis, researchers divided into 4 criteria that were measured to determine the right strategy for UKM Roti Cantik, namely the criteria for Factors, Actors, Objectives and Alternative Strategies. Alternative strategies that are measured or which are the basis for

determining which strategies are appropriate are obtained from the calculation of the QSP Matrix. This AHP analysis carried out is expected to provide appropriate input for UKM Roti Cantik for which priorities are right for UKM Roti Cantik so that the company's strategy can run in a direction based on priority criteria. This is expected to provide a solution for UKM Roti Cantik to increase sales volume in UKM Roti Cantik.

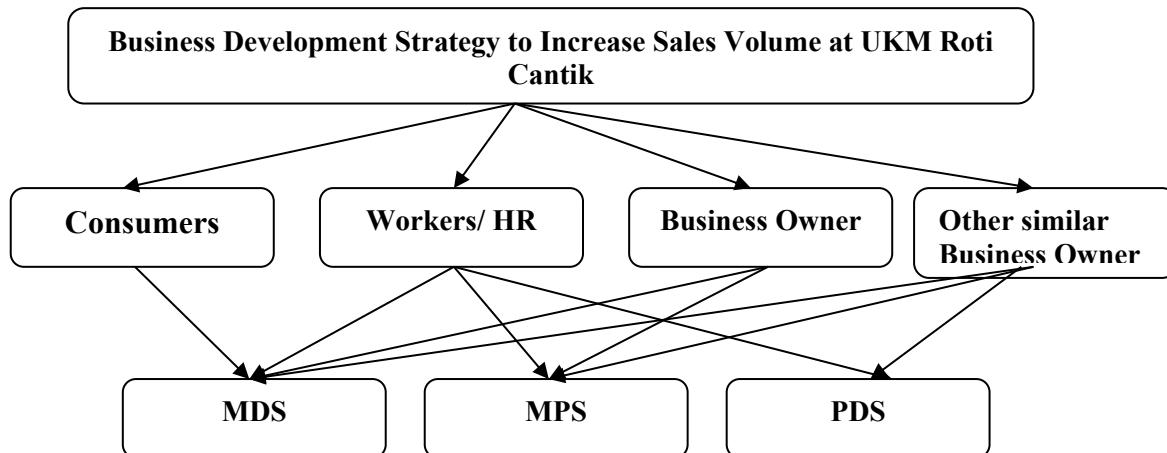


Figure 4. AHP Hierarchy Structure of UKM Roti Cantik

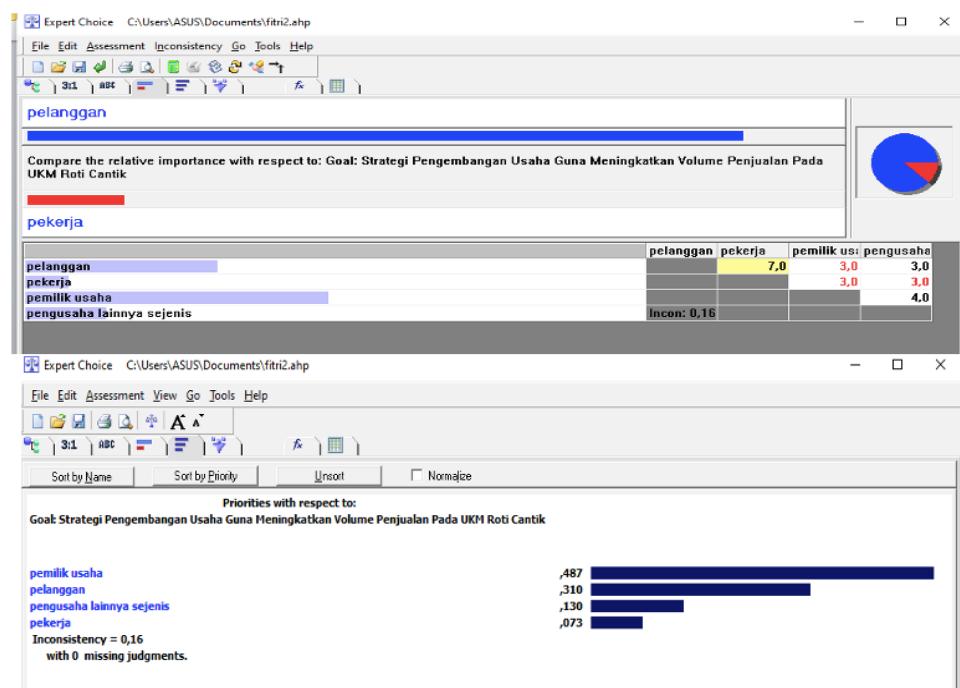


Figure 5. Expert Choice Processing Results 11 Strategy Determinant Actor criteria

The figure 5 is an interpretation of the results of questionnaires that have been distributed and have been filled in and processed with Expert Choice 11 software. From the above calculation results, we see that the highest value of the business development determinant is management itself, with a priority value of 0.487, and the second determining factor is the customer, with a priority value of 0.310. Moreover, the third determining factor is other similar entrepreneurs with a priority value of 0.310 and the last priority is workers with a priority value of 0.073.

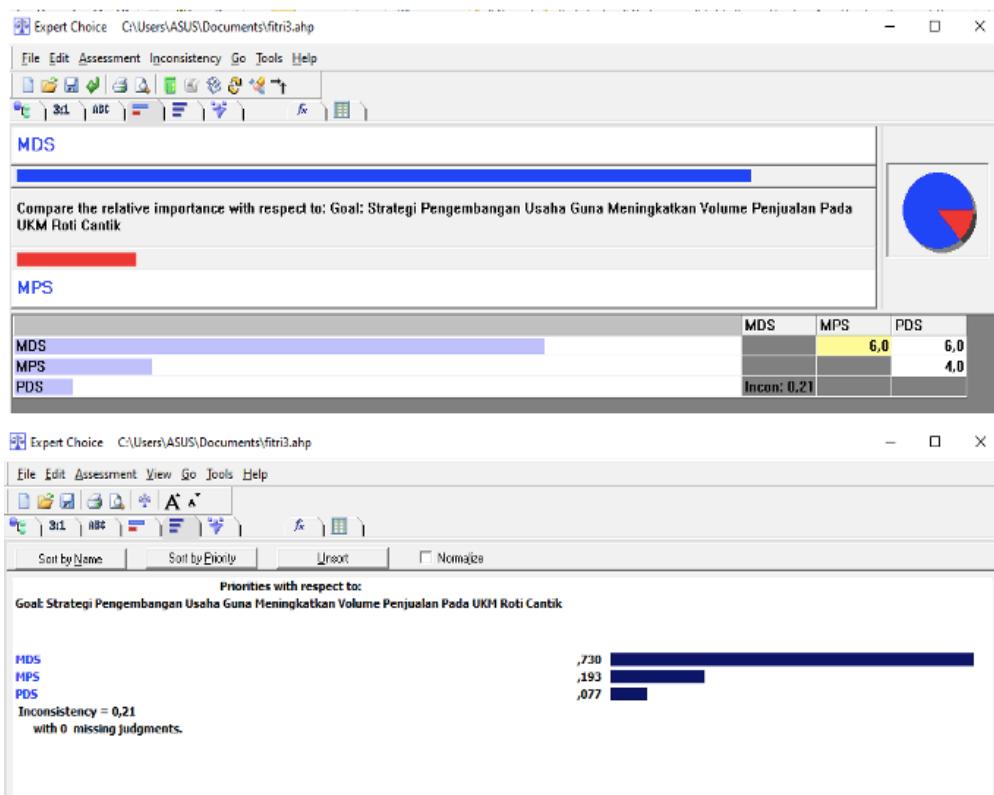


Figure 6. Expert Choice Processing Results 11 Criteria Correct Strategy

The picture 6 is an interpretation of the results of questionnaires that have been distributed and have been filled in and processed with Expert Choice 11 software. From the calculation results above, the highest value of the appropriate strategy for Roti Cantik to develop its business is the Market Development Strategy (MDS) with a priority of 0.730, then the second determining factor is the Market Penetration Strategy It is clearly the priority is 0.730. The priority value is 0.193. Furthermore, the last priority is the Product Development Strategy (PDS) strategy with a priority value of 0.077.

4. Conclusions

When the results of the IE matrix analysis are plotted on the graph, UKM Roti Cantik's position is in quadrant I (Figure 6). In other words, the strategies that can be recommended in quadrants I, II and IV are growth and construction in the form of intensive strategies (concentration (market penetration, market development, product development)) and integrated strategies (backward integration, forward integration, horizontal integration). This means something. integration).. This aggressive strategy is intended to take advantage of all the strengths of UKM Roti Cantik and by taking advantage of existing opportunities or it can also be called the SO strategy in SWOT analysis. At the decision stage in the analysis carried out with the QSP Matrix and AHP analysis, it is prioritized in developing and increasing sales of UKM Roti Cantik with the Market Development Strategy (MDS) strategy, namely by increasing market share with a focus on increasing opening new markets not only sales are made around Metro City, East Lampung, Central Lampung but marketing can be done in all regions in Lampung. The advice given to UKM Roti Cantik is to create new distribution channels to regional areas by making several agents in selling their bread and given the appropriate distributor price. In addition, Roti Cantik can make other products whose quality is more premium to open or create new customers. Besides that, promotions in social media or e-commerce also need to be designed and carried out on an ongoing basis.

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