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# THE COMPARISON OF INDIGENOUS AND NON-INDIGENOUS MSMEs TOWARD MARKETING STRATEGY (CASE OF SMES SOUVENIRS FOR MINANG AUTHENTIC FOOD IN

# PADANG CITY)

Albert Agiza Agustian S.E M.M<sup>1</sup>, Retno Melani Putri S.E M.M<sup>2</sup>, Dr. Yulia Hendri Yeni S.E M.T Ak<sup>3</sup>

- 1) Student of Andalas University, Faculty of Economi, Padang Indonesia
- 2) Student of Andalas University, Faculty of Economi, Padang Indonesia
- 3) Lecturer of Andalas University, Faculty of Economi, Padang Indonesia Email : albertagizaa@gmail.com

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# ABSTRACT

Many MSMEs souvenirs of West Sumatra specialty food that have sprung up in West Sumatra make not all businesses run well because of business competition, where there are differences between MSMEs both in terms of quality and quantity. MSMEs food souvenirs in West Sumatra, especially in the city of Padang are usually dominated by non-native people who are non-native people of Padang who have long lived in the city of Padang. Therefore in this study, we want to find out how marketing is compared to native and non-native MSMEs in the city of Padang. Are there differences in activities and marketing strategies in native and non-indigenous MSMEs. In collecting data the method used by interviewing informants directly. The type of interview used in this study is a semi-structured interview which means the researcher already has a guideline regarding what information will be collected. From the results of research on marketing strategies and marketing activities carried out by MSME souvenirs of Minang typical foods owned by natives and non-natives have similarities and differences. Conclusions can be drawn as to why non-natives are more well-known than natives, because non-natives are more active in attracting consumers than indigenous MSMEs. Non-native MSMEs are able to provide convenience to consumers by way of ordering via online, telephone, and whatsapp, and can also be assisted by sending through the expedition from the MSME. MSMEs souvenirs from Minang special foods, especially indigenous people, need to develop the market, for example, providing delivery service. It is better to do more promotion for MSME souvenirs of Minang special foods both non-native and indigenous online, mass media, and electronic media so that they can reach more markets.

#### INTRODUCTION

From a world-wide perspective, it has been recognized that the Preventing Small Micro Enterprises (MSMEs) play an important role in economic development, because they have become the main source of job creation and output growth, not only in developing countries, but also in developed countries (Tambunan, 2008). Over time, the role of Micro, Small and Medium Enterprises (MSMEs) has increasingly become more important in the development of the domestic economy because of their impact on employment and Gross Domestic Product (GDP). Indonesia is an agrarian country that is changing or developing towards an industrial country. In general, the role of the small business sector as the most important component in a nation's economy has a strategic value that can make a large contribution, when viewed from the economic structure of the Indonesian nation, including as a country undergoing a period of transition, namely the transition from an agrarian economic structure to an economic sector industrialist. Creative economy based on creative capital, human resources, has the opportunity to encourage the competitiveness of the Indonesian nation in the future. The development of MSMEs in Indonesia is one of the priorities in national economic development. MSMEs is a business potential that is highly promoted by the government, because the more people in entrepreneurship the better and stronger economy of a region because local resources, local workers, and local financing can be optimally absorbed and beneficial (Sudiarta, Kriya, & Cipta, 2014).

West Sumatra is famous for good cuisine. In addition, West Sumatra is known as a creative economic region, especially MSMEs, especially souvenirs typical of West Sumatra (Heri, 2015). Many MSMEs souvenirs of West Sumatra special food that has sprung up in West Sumatra makes not all businesses run well because of business competition, where there are differences between MSMEs both in terms of quality and quantity. This causes the entrepreneurs of West Sumatra souvenir food must be able to survive with several things that must be considered in developing the business unit. This can be said to include promotion of new businesses, improvement of product and HR quality, availability of business development services, business network development, access to information, e-marketing, and others.

MSMEs food souvenirs in West Sumatra, especially in the city of Padang are usually dominated by nonindigenous people who are non-indigenous people of Padang who have long lived in the city of Padang. Examples of ownership of non-indigenous communities such as keripik balado Sherly, Christine Hakim, and Rohana Kudus. However, there are indigenous people who also have MSME food souvenirs authentic of Minang in the city of Padang. Therefore, the writer wants to know how marketing compares to indigenous and non-indigenous MSMEs in Padang City. Based on the background and description above about MSMEs, how is the difference in marketing to indigenous and non-indigenous MSMEs. Are there differences in marketing activities and strategies in native and non-indigenous MSMEs.

# LITERATUR REVIEW

#### **Marketing Strategy**

Marketing strategy is the main approach that will be used by business units in achieving predetermined targets, which includes key decisions regarding target markets, product placement in the market, marketing mix and the level of marketing costs required (Amstrong & Kotler, 2016). Marketing facilitates the process of exchanging and developing customer relationships by closely observing the needs and desires of consumers, followed by developing a product that satisfies the needs of consumers and offers the product at a certain price and distributes it so that it is available in places that are markets for the product concerned. For this reason, it is necessary to carry out a promotion or communication in order to create consumer awareness and interest in the product concerned. While the factors that influence the marketing strategy are internal factors and external factors of the company. These factors can help expedite the business that is being carried out by the company in achieving its goals.

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1. Segmentation

According to Kotler (2016) Market segmentation is the process of breaking a heterogeneous group of potential buyer into smaller homogeneous groups of buyer, that is with relatively similar buying characteristics or needs. By carrying out market segmentation, marketing activities can be done more directed and the company's resources can be used more effectively and efficiently in order to provide satisfaction for consumers. 2. Targeting

According to Kotler (2016) The process of evaluating each market segment's attractiveness and selecting one or more segments to enter. Targeting is a group of groups selected as customers as a result of segmentation and targeting. After the market is divided into segments, the company must decide on a target market strategy. This targeting determines to whom the target market of a product, whether to all people, some people or certain people who have specificities.

3. Positioning

According to Kotler (2016) Positioning is the act of designing the company's offer so that it occupies a distinct and value placed in the target customer mind. Its means development of marketing strategies in influencing the market for products / services when compared to competitors. Determination of market position shows how a product can be distinguished from its competitors. Positioning is the third element of the STP strategy in which marketers try to decide the position of the product in the market to be targeted. Marketers explain to consumers and try to stick it in their minds about the benefits of the product and how it is unique compared to competing products.

### **MSMEs**

Based on the Indonesian Ministry of Cooperatives and MSMEs the Ministry of Cooperatives, groups MSMEs into three groups based on total assets, total annual sales and business status with the following criteria (Manurung, 2013).

- 1. Micro business is a small-scale people's economic activity that is traditional and informal in the sense that it has not been registered, has not been registered and has not been a legal entity. The sale of the business is at most IDR 100 million.
- 2. Small businesses are people's economic activities that meet the following criteria:
  - a. Businesses that have a net worth of at most Rp. 200 million, excluding land and buildings.
  - b. Businesses that have annual sales of at most Rp 1 billion.
  - c. A stand-alone business, not a company or branch company that is owned, controlled or affiliated directly or indirectly with medium or large scale businesses.
  - d. In the form of a business owned by an individual person, a business entity that is not a legal entity or a business entity that is a legal entity including a cooperative.
  - Medium-sized businesses are people's economic activities that meet the following criteria:
  - a. Businesses that have a net worth of more than Rp 200 million to a maximum of Rp 10 billion, excluding land and business buildings.
  - b. An independent business, not a subsidiary or branch company that is owned, controlled or affiliated directly or indirectly with medium or large scale businesses.
  - c. In the form of a business owned by an individual person, a business entity that is not a legal entity or a business entity that is a legal entity, including cooperatives.

# Methodology

3.

This research is a qualitative descriptive study defining a qualitative descriptive methodology is a research method that is used because it describes the object of research in accordance with the actual conditions at the time the research took place. Qualitative data obtained in this study are the results of unstructured interviews with the company. As for quantitative data, the authors obtain data from observations and secondary data collection. And the object in this research is a marketing strategy that is implemented and implemented by indigenous and non-indigenous MSMEs. Population according to (Sekaran, 2014) is a group of people, events, or things that researchers want to investigate. The population in this study is the MSMEs that sell Minang souvenirs authentic food in Padang City. The sample used in this study was MSMEs souvenirs Minang authentic foods. The desired sample in this study is Indigenous and Non-indigenous who are the owners or are responsible for the MSME souvenir foods of Minang, which have been operating for more than 3 years.

#### **Result And Discussion**

The process of data analysis is carried out in various stages, the process of analyzing data descriptively is by determining, collecting, clarifying and interpreting data, so that it can provide an objective picture of the problem and explain the state of the object accurately. There are 10 samples of Indigeneous and non-indigeneous people who owned MSMEs that sell souvenirs of authentic food from Minang.

No.	Indigenous	Non-Indigenous
1	Umi Aufa Hakim	Christine Hakim
2	Rendang Coga	Sherly
3	Mahkota	4x7
4	Sutan Pangeran	Rohana Kudus
5	Asese	Sumber Rasa
6	Kerupuk Cabe Oma	Kacang Tojin Nipah
7	Cik elok	Harian Jaya
8	Kerupuk Jangek Buk Kai	Nan Salero
9	Kipang Kacang H.Anas	Keripik Balado Valentine
10	Rendang Radjo-Radjo	Keripik Balado Ana
Table 1		

The following is a sample of MSMEs non-Indigenous and MSME indigenous authentic food as souvenirs from Minang:

the type of interview used in this study is a semi-structured interview which means the researcher already has a guideline about what information will be collected, so the list of questions to be used has been made systematically and during the interview the researcher also uses tools such as tape recorders, cameras and assistive devices others that can help smooth the interview. This is the guidelines of interview questions to MSMEs owner:

- a. How do you build the brand image of your business?
- b. Who is the target market of your business?
- c. What are you considering in determining the pricing strategy of the product that you produce?
- d. What makes your business competitive than others?
- e. What is your strategy for dealing with competitors?

The Indigenous people of Padang city is Minang tribe. Travel to Padang City, West Sumatra, there are many things that we can enjoy, such as the beauty of panorama and the traditional buildings. After enjoying it all, don't forget to buy souvenirs from Padang before returning home. There is quite a large selection of souvenirs that can be bought, both souvenirs in the form of food or items such as souvenirs. But if you want to bring souvenirs in the form of authentic Padang food, you must carefully calculate whether the food can last until you get home. There are some authentic food of Padang, including the Karak Kaliang Balado chips, jangek crackers (skin crackers), egg rendang, lung rendang, meat rendang, dendeng balado, tojin nuts and many others.

To get this authentic food as Minang souvenirs, you can get them at a souvenir shop in West Sumatra, one of which is in the Padang city. In Padang city, a authentic Minang souvenir shop is not only owned by the local community or actually originates from Minang or Padang, but is also owned by people who are not from Minang or non-native. This unique non-native Minang souvenir shop is not only famous in West Sumatra but is also well known outside the island of Sumatra. In fact, the owner is not from West Sumatra or originates from Minang. So, it's means the MSMEs who sell authentic food as souvenirs of Minang but most of the MSMEs itself owned by people who not origininate from Minang.

Based on the results of interviews conducted, the following is a comparison of the Marketing Strategy between MSMEs souvenirs of Minang authentic foods owned by non-Indigenous and indigenous people:

## Segmentation

Based on the results of interviews of indigenous MSMEs and non-Indigenous souvenirs from Minang authentic foods, this MSME segmentation is aimed at all groups. Whether it's middle-low or middle-up and also there are no restrictions in the form of age, gender, or income. Segmentation based on psychographics of Indigenous and non-Indegenous MSMEs is aimed at tourists who visit the city of Padang and want to buy souvenirs or souvenirs for relatives and relatives who want to shop comfortably and satisfy service. Behavior based segmentation is based on the benefits of a product that can be seen from several segments, namely economy, health, and taste. Good taste and wrapped in an attractive and neat packaging so it is safe to carry.

# Targeting

Non-Indigenous MSMEs choose the main target market for tourists both outside the region and from the West Sumatra region themselves who want to buy souvenirs for their families and relatives. Likewise with indigenous MSMEs who also choose the main target market, namely tourists visiting the city of Padang and local residents who want to give and bring souvenirs to families outside West Sumatra. So that it can be seen, the target market of non-indigenous and indigenous MSMEs have in common that is both aimed at tourists visiting Padang and local people who want to buy souvenirs for relatives or relatives who are outside Padang. However, for non-natives in getting consumers, non-Indigenous MSMEs have different ways which are more likely to provide better facilities and services. For example Christine Hakim who has an online booking service, so just wait at home then 4x7 also attracts tourist consumers through taxi and travel drivers to bring their guests to 4x7 to buy souvenirs.

# Positioning

Non-indigenous MSMEs are positioned as the only center for souvenirs authentic of Minang that provides better quality, both in terms of raw materials, quality and taste. In terms of positioning, non-indigenous MSMEs are able to position products as high quality and high prestige products. But there are also a number of non-indigenous MSMEs that have inadequate positioning and are not well known by the wider community. For indigenous MSMEs, they also provide quality products, but most consumers who come prefer the more famous souvenirs and get prestige in shopping.

# Conclusion

From the results of research on marketing strategies and marketing activities conducted by MSME souvenirs of Minang typical foods owned by native and non-native people have similarities and differences. Conclusions can be drawn as to why non-natives are more well-known than natives, because non-natives are more active in attracting consumers than indigenous MSMEs. Non-native MSMEs are able to provide convenience to consumers by way of ordering via online, telephone, and whatsapp, and can also be assisted by sending through the expedition from the MSME. For example, only 4x7 has collaborated with several expeditions to deliver products to consumers.

The findings in this study have several important implications for related parties, namely MSME souvenirs of Minang native and non-native foods. In order for this MSME to be able to develop and be more desirable, even though the MSME souvenirs typical of Minang already have many products, it would be better if it continues to innovate on some less desirable products so that it becomes more attractive. Even though

UMKM is in a strategic location, UMKM souvenirs of Minang special foods, especially indigenous people, need to develop the market for example, providing delivery service. It is better to do more promotions for MSME souvenirs of Minang special foods both non-native and indigenous online, mass media, and electronic media so that they can reach more markets.

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