

Culinary Industry Development Strategy In Tanjungpinang City

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Abstract. This study aims to determine the development strategy of the culinary industry in the city of Tanjungpinang, more precisely in two culinary locations in Tanjungpinang city, namely the bintan Center street food area. The problem in this study is the decreasing number of traders and visitors in these two areas, both the street food culinary area and. For this reason, it is necessary to have efforts made by the manager, namely BUMD, because the culinary industry is one of the largest contributors to regional income. In this study using a qualitative approach with a type of case study research (case study). The data collection technique is by conducting interviews and documentation. The theory used is Michael A. Porter's theory with indicators of lowcost strategy, differentiation strategy, and focus strategy. The results of this study indicate that the development strategy of the culinary industry in Tanjungpinang city with low cost, differentiation and focus is still not optimal, in carrying out its strategy BUMD has obstacles, especially in the differentiation they do.

Keywords: Strategy, BUMD, Culinary industry, development

1 Introduction

The culinary industry is generally defined as economic activities related to the production, distribution and serving of food and beverages, including cooking activities, serving in restaurants, to the sale of processed food. In a broader sense, the culinary industry also includes aspects such as the art of cooking, food aesthetics, and creativity in presentation. According to [1] Culinary is an activity in life related to the consumption of food needed daily, which is usually accompanied by drinks.

Kuncoro [2] explains that strategy is a clear description of the environment desired by the company and the type of organization to be implemented. According to Andrews, strategy is defined as a pattern of goals, objectives, and general plans aimed at achieving predetermined goals. This is expressed by defining the business activities that are or should be carried out by the Company. Initially, the term strategy originated from literature on warfare. From this perspective, business is viewed as competition and competitors are seen as opponents, while the government is tasked with creating and enforcing various regulations [3].

The theory, according to Kim and Choi, Lee and Miller, Lou, Miles, and Hadjimanolis in their study [4], recommends increasing sales turnover, employee growth, and customer growth as the main measures of small business performance, and emphasizes these as measures of a company's level of success and growth. This can be improved through several methods, including building a strong entrepreneurial profile, managing corporate capital effectively, or implementing appropriate marketing strategies. The same applies to the development of SMEs.

States that local economic development (LED) refers to the process by which local governments or community-based organizations seek to stimulate or develop business/economic activity and employment [5]. The basic objective of LED is to stimulate local employment opportunities in sectors that support the community by using existing resources (natural resources, human resources and institutions).

Culinary industry development strategy by Michael A. Porter Theory (1980), Michael A. Porter Theory, Porter Theory is known as a generic strategy. This theory explains the competitive strategy. Cost Leadership, Differentiation, Focus [6].

Based on the Tanjungpinang City Government Regulation No. 08 of 2021 concerning the tourism development master plan for the city of Tanjungpinang for 2022-2032 [7], it explains that tourist attractions in shopping and culinary tourism destinations are the Tanjungpinang Kota area, the Senggarang area and the Kampung Bugis area. Tanjungpinang, as the capital of Riau Islands Province, has various areas that are not only rich in history and culture, but also offer diverse culinary experiences. Then based on Tanjungpinang City Regional Regulation No. 08 of 2021 states that there are 14 shopping and culinary tourism destinations in Tanjungpinang City of the 14 areas, it can be said that it is the Bintan Center area that has obstacles in the development of the culinary area at that location, such as the Bintan Center, namely the bincen street food located at the Bintan Center, where the Bintan Center is a place of

economic growth in the city of Tanjungpinang, which should be able to be utilized by the local government in developing the culinary industry and can play a role in the regional economy. the Bintan Center street food area has experienced a lack of visitors in recent times, which has become a serious problem for managers and traders at the location. budget problems are a problem that hinders the development of this street food area. Managers do not have enough funds to improve facilities, conduct routine maintenance, or improve the quality of existing services [8].

With a limited budget, it is difficult to organize activities that can attract more visitors. In fact, activities such as culinary festivals or promotional programs can be an attraction to revive the area. Without an adequate budget, the potential to develop Bintan Center as a bustling culinary destination is severely undermined. Collaboration between area managers and traders is also minimal. There is no structured cooperation in designing and implementing programs that could improve the condition of the area. If only there was stronger support in terms of policy, management, and joint marketing, this area could have a chance to grow [9].

The culinary industry plays an important role in the regional economy, including in Tanjungpinang which is the capital of Riau Islands Province. with its cultural richness and culinary diversity, the development of the culinary industry in Tanjungpinang can be an effective strategy to encourage local economic growth. . This shows that the culinary industry not only functions as a food provider, but also as an economic driver. Micro, small and medium enterprises (MSMEs) in the culinary field play a significant role in creating jobs [10].

Culinary businesses in Tanjungpinang can absorb local labor, which helps reduce unemployment rates and increase community income. Local culinary is an attraction for tourists. Regional specialties can attract visitors, thereby increasing the tourism sector which has a positive impact on the regional economy. Culinary festivals can be held to promote the uniqueness of Tanjungpinang's food and attract more tourists. The main supporters of the culinary industry are MSMEs that often face challenges in competing with large restaurants and international restaurants. Support from the government and local community is essential to assist MSMEs in improving the quality of their products and services. The culinary industry contributes to local economic empowerment by using raw materials from local farmers and producers. This not only increases the income of the businesses but also supports regional economic sustainability[11].

Thus, this research aims to find out how the development strategy of the culinary industry in the city of Tanjungpinang is more precisely the Bintan Center street food area. Through literature review and secondary data analysis, this research is expected to provide a comprehensive insight into the importance of strategies carried out in developing a culinary industry.

2 Method

This study uses a qualitative approach with a case study (case study) presented in the form of explanations or conclusions from interviews conducted by the researcher. The research methodology employs a descriptive approach using qualitative methods, which will be used to confirm or characterize the actuality of the events being studied. A qualitative approach emphasizes careful observation. Therefore, the use of qualitative research techniques can result in a more comprehensive examination of a phenomenon. Data sources are defined as individuals or objects that are observed, read, or searched for information related to specific issues. Primary data, data obtained directly from in-depth interviews with relevant informants. Such as BUMD officials and traders in both culinary industrial areas. Secondary data, related documents, such as BUMD annual reports, official policies, and data related to income and revenue for both the government and traders in the area. Data was collected through two main sources: Field Observation. Researchers conducted direct observations at street food locations in Bintan Center to observe infrastructure conditions, merchant activities, and interactions with consumers. This observation aimed to get a real picture of the situation in the field.

1. In-depth Interviews

Interviews were conducted with various stakeholders, including street food vendors and local government officials. These interviews aimed to explore their views and experiences regarding the strategies that have been implemented and their impact on the development of the area.

Data obtained from observations and interviews were analyzed using data analysis techniques, namely:

2. Data Reduction

The reduction stage will be carried out in this research throughout the data collection process, where information obtained from observations and interviews will be arranged and categorized before being written and presented.

3. Data Presentation

Data is presented through a brief description in the form of text that summarizes the results of interviews and data that has been conducted and collected to fulfill the presentation of relevant data in accordance with the research that has been written.

4. Drawing Conclusions

Organized information provides a foundation for drawing conclusions and taking steps. In this study, the data is presented in the form of a brief text description that summarizes the results of the interviews that have been carried out. Contains research methods, data collection techniques and data analysis in order to achieve the formulated research objectives.

3 Discussion

This study aims to determine how the culinary industry development strategy in the city of Tanjungpinang is more precisely the Bintan Center street food area. Through literature review and secondary data analysis, this research is expected to provide comprehensive insight into the importance of strategies carried out in developing a culinary industry. The following are the results and discussion in this study:

1. Rental costs for the Bintan Center street food area.

Focuses on a company's efforts to create standardized products in all aspects at a very low cost per unit. Companies that implement this strategy focus on efficiency in every production and operational process so that they can offer products or services at lower prices compared to their competitors.

In providing rental fees, BUMD as the manager certainly has its own strategy to help traders not have difficulty in paying rent for their business stalls. With an economical rental fee, it is hoped that it can provide opportunities for traders to market their products at a lower price than other culinary areas. BUMD provides rental fees to traders, the manager has an opinion in providing rental fees for traders. the rental fee when this culinary area was opened was Rp. 550 thousand, that includes, water, electricity, place cleaning, and security and operations. Before the rental fee there is also to be paid, namely the registration fee of 4.4 million.

The rental price given by BUMD as the manager at the time of opening is considered economical by looking at the field conditions and the economy of the community, moreover these two culinary areas are indeed in a very strategic location, namely in the center of the crowd and the economy of Tanjungpinang city. With the price that has been given, the manager hopes to help improve the economy of the people of Tanjungpinang city.

In determining the low rental price per stall / BUMD site, of course, has challenges and obstacles, often the challenge is the number of traders and visitors who are decreasing or even only holidays are crowded with visitors so that the rental price of stalls / stalls in the culinary area is unstable.

Cheap rental prices are an advantage for traders who sell in a culinary area, with cheap and inexpensive rental prices the traders can market their products at lower prices, helping traders in providing cheap rental prices has indeed become an obligation for BUMD as the manager, in accordance with article 7 of Government Regulation Number 54 of 2017. With an economical rental fee, it makes it easier for traders to market their wares at low prices, With a cheap rental price, traders who sell this area will find it easier to market food or beverage products at a low price, so that the cheap price of food and drinks can be one of the factors that make visitors come to this culinary area.

2. Differentiation by making this area attractive and unique

Differentiation in this strategy distinguishes or makes a difference in a more specific context differentiation refers to product differences where BUMD uses differentiation to make products in the Bintan Center Street Food Culinary Area unique from their competitors, so that consumers see the product as unique and has more value.

The process to differentiate involves the content, context, and infrastructure of the offerings provided to customers. By involving the three processes, differentiation can already be implemented / carried out, by doing differentiation makes an area more different from before so that with the differentiation, the area becomes more distinct from before.

The area becomes more different from before so that differentiation can help a culinary area become crowded by visitors. This has also been supported by the BUMD strategic plan stating that PT Tanjungpinang Makmur Bersama (Perseroda) can collaborate with other parties. With this regional regulation, it supports what BUMD has done, namely collaborating with the private sector, namely Sandro. And also this cooperation is mutually beneficial to both parties and is supported by the second point, namely the cooperation as intended must be mutually beneficial and protect the interests of the Region, the wider community, and the cooperating parties.

Then the strategic plan also states that it increases the contribution of PT Tanjungpinang Makmur Bersama (Perseroda) in the national economy, meaning that with the differentiation they do well, BUMDs can contribute to the national economy, such as the culinary area which is again crowded with the differentiation they do, of course this can help in the national economy in the strategic plan of PT Tanjungpinang Makmur Bersama.

together.

To make this area unique and different from other areas, the manager makes a bazaar during holidays such as Ramadan and sometimes there are also private parties who hold bazaars at the location of this culinary area.

Differentiation is one of the ways that can be done by the manager in this case BUMD but in reality from the explanation above the efforts made by the manager only make a bazaar, which is considered to be able to help develop the culinary area but in reality it does not work as desired.

whereas if there are changes or efforts to make this culinary area different, there will be an increase in the people visiting these two areas. none other than the absence of efforts to do that because of the problem of non-existent funds. No wonder these two culinary areas are quiet and many traders have pulled out and no longer sell in these two culinary areas.

3. Focus on managing the Bintan Center street food area

This focus strategy is used by the company to attract customers by focusing on the needs and desires of customers. Usually companies that move with this strategy concentrate more on a certain market group (niche market), a certain geographic area, or a certain product or service with the ability to meet consumer needs well, The focus in question is where BUMD as the manager of the culinary area in Tanjungpinang city, of course, in meeting the needs and desires of consumers it manages, he focus of this strategy is that BUMDs as managers specialize in the differentiation they do by making this area unique and able to compete with other areas in Tanjungpinang, the differentiation that managers do in the Bintan Center area is very clear as said by the area manager.

That the focus of differentiation and low costs carried out by the manager is still not optimal, an evaluation is needed regarding the focus carried out. Especially the problem said by the previous trader, that the focus of differentiation where the bazaar is uneven or all traders do not receive the benefits of the bazaar. Previous research, namely Afriyadi Et, al (2024) with the title Street Food Infrastructure Analysis in the Bintan Center Economic Development Passion, previous research has similarities in this study where researchers also discuss the same location, namely the Bintan Center street food and the difference from this study where the concerned only discusses street food infrastructure, on the contrary in this study discusses the development strategy of this street food area.

Development strategy for this street food area. The discussion in this study, researchers used the theory of Michael A. Porter's theory, with three types of strategies, namely: Low Cost Strategy (Cost Leadership), Differentiation Strategy and focus strategy. In line with previous research, it can be concluded that the development of the culinary industry carried out by BUMD is still not optimal and there are several strategies that need to be improved, one of which is supporting traders both in more economical rental fees, besides that BUMD also lacks funds to make this culinary area different and unique. Based on field notes and the results of interviews that the authors conducted with the sources involved with the implementation of Porter's Strategy, that BUMD has tried to provide cheap rental fees to traders but still cannot attract the interest of the people who want to sell in these two culinary areas. So that it makes these two areas not develop.

Then the differentiation carried out by BUMD is to hold an event to make this area different is a bazaar. Although this bazaar is held once a year, namely before or during the month of Ramadan. But there are private parties who also sometimes hold bazaars in the culinary industry area. This bazaar is also relied on by BUMD to make the area different from before. The focus carried out by BUMD on the differentiation they do is very good but the impact of what is done still needs to be evaluated because the differentiation that managers do still has not had an impact on all traders who sell in the culinary area. Differentiation that should be a factor that makes this culinary area crowded again has been done by the manager. Supported by the strategic plan which states that BUMD can build, manage and / or develop Marketing Facilities.

4 Conclusion

Based on the results of research and discussion that researchers have done regarding the development strategy of the culinary industry in Tanjungpinang City using the theory of Michael A. Porter, with three types of strategies, namely: Low Cost Strategy (Cost Leadership), Differentiation Strategy and focus strategy, it can be concluded as follows:

BUMD of Tanjungpinang city as the manager of the culinary industry area, in determining the rental price per kiosk first looks at the conditions of crowded or quiet visitors in a culinary industry area, but the low cost strategy carried out by BUMD as the manager is good for traders, but this low cost has no impact on visitors who come because there are still few visitors who come to the location,

Differentiation efforts by holding a bazaar which is only once a year which is done by BUMD in the area has not had much impact on the culinary location. This happens because there are no funds that BUMD has to do or make this industrial area different from other places.

BUMD Tanjungpinang has also used a focus strategy, namely focusing on the needs and desires of customers to gain a competitive advantage in a particular culinary area, by focusing on the Anjung Cahaya area rather than the two culinary areas there by making buildings for traders to sell, and by closing the road to the Bintan Center area, but all of that did not work as desired by the manager.

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