

Competition Analysis of Small Industry in Pekanbaru, Riau

Analisis Persaingan Industri Kecil di Pekanbaru, Riau

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ABSTRAK

Penelitian ini bertujuan untuk mengetahui persaingan usaha industri Jamur Crispy di Kota Pekanbaru. Metode pendekatan yang dilakukan dalam penelitian ini menggunakan metode pendekatan deskriptif kualitatif. Jenis data yang digunakan dalam penelitian ini adalah data primer dan sekunder. Dimana data primer diperoleh langsung dari responden melalui wawancara, kuesioner, dokumentasi. Sedangkan data sekunder diperoleh melalui instansi-instansi pemerintah seperti Badan Pusat Statistik Kota Pekanbaru dan Disperindag Kota Pekanbaru. Metode analisis yang digunakan yaitu Analisis Porter Five Modal, populasi dan sampel sebanyak 9 usaha jamur crispy. Hasil penelitian menunjukkan persaingan yang terjadi pada usaha industri kecil jamur crispy di kota Pekanbaru terletak pada strategi promosi. Persaingan usaha makanan jamur crispy di dominasi oleh metode lisan antara konsumen dan penggunaan media sosial. Pelaku usaha jamur crispy perlu lebih unggul untuk menguasai pasar dan menghadapi persaingan usaha dalam meningkatkan penjualan usaha. Dengan menggunakan promosi pada media sosial lebih efektif dalam meningkatkan jumlah penjualan dari pada hanya secara lisan kepada konsumen.

Kata Kunci : Persaingan Usaha, Jamur Crispy, Porter

ABSTRACT

This study aims to analyze the business competition within the Crispy Mushroom industry in Pekanbaru City. The methodology employed in this study adopts a qualitative descriptive approach. The data utilized consists of both primary and secondary sources. Primary data is gathered directly from respondents through interviews, questionnaires, and documentation, while secondary data is obtained from government agencies such as the Central Bureau of Statistics for the City of Pekanbaru and the Department of Trade and Industry of the City of Pekanbaru. The analytical method applied is Porter's Five Forces Analysis, with the population and samples comprising 9 crispy mushroom businesses. The findings of the study reveal that competition within the small crispy mushroom industry in the city of Pekanbaru primarily revolves around promotional strategies. The competition in the crispy mushroom food business is characterized by verbal interactions between consumers and the utilization of social media platforms. To effectively navigate this competitive landscape and boost business sales, actors in the crispy mushroom industry need to strive for excellence in order to dominate the market. It is observed that utilizing promotions on social media yields greater effectiveness in increasing sales compared to solely relying on verbal communication with consumers.

Keywords : Business Competition, Crispy Mushroom, Porter

1. Pendahuluan

The economy stands as a crucial pillar in any nation's development trajectory, serving as a barometer for governmental policies aimed at fostering societal well-being and prosperity (Rahmawati & Jefriyanto 2021). Among the diverse array of contributors to economic growth, Small and Medium Industries (IKM) occupy a significant position, both in developing and developed nations like Indonesia. These enterprises not only address pressing issues such as unemployment but also serve as vital sources of income for communities, thereby fostering socio-economic development (Jatmiko et al., 2021; Ihsani et al., 2021).

In Pekanbaru, small and medium enterprises hold particular significance, not only for their intrinsic economic value but also for their role in balancing the outcomes of development

efforts (Anggraini & Naufa 2022; Afdal et al., 2021). Their contributions, ranging from job creation to technological innovations and market diversification, underscore their importance in driving local and national progress. Moreover, integrating the production capacities of these smaller enterprises with larger counterparts can catalyze economic growth and foster synergistic partnerships within the business ecosystem (Rusdana et al., 2021; Thimotius 2023).

However, despite their potential, the small crispy mushroom industry in Pekanbaru faces a myriad of challenges. Declining sales and intensifying competition among entrepreneurs indicate the pressing need for proactive strategies to navigate the evolving business landscape. While recognizing the necessity for competitive strategies, there exists a gap in understanding the specific competitive dynamics within this industry, hindering entrepreneurs from devising targeted and effective strategies to sustain and grow their businesses (Affandi et al., 2020).

The urgency of addressing these challenges cannot be overstated. The small crispy mushroom industry holds immense potential to contribute to Pekanbaru's economic growth and job creation. Failure to rectify declining sales and enhance competitiveness could impede the industry's growth trajectory, thereby limiting its socio-economic impact and stifling opportunities for local entrepreneurs.

In light of these considerations, this research aims to conduct a comprehensive competition analysis of the small crispy mushroom industry in Pekanbaru City. By elucidating the competitive dynamics, identifying key challenges, and proposing actionable insights, this study seeks to empower entrepreneurs with the knowledge and strategies needed to thrive in the competitive marketplace.

The novelty of this research lies in its focus on the small crispy mushroom industry in Pekanbaru, shedding light on an industry-specific aspect that has received limited attention in existing literature. By delving into the competitive dynamics unique to this industry, this study promises to offer valuable insights and actionable recommendations tailored to the needs of entrepreneurs operating within this sector.

Through rigorous data analysis and empirical research methods, this study aims to uncover the underlying factors contributing to the challenges faced by the small crispy mushroom industry in Pekanbaru. By identifying these factors and their implications for business competitiveness, the research seeks to provide practical recommendations for enhancing industry resilience and fostering sustainable growth.

Furthermore, by engaging with industry stakeholders and leveraging insights from both academic literature and practical business experiences, this research endeavors to offer holistic solutions that address the multifaceted challenges confronting small crispy mushroom entrepreneurs in Pekanbaru.

In summary, amidst the backdrop of economic significance and burgeoning challenges, this research endeavors to contribute to the resilience and growth of the small crispy mushroom industry in Pekanbaru City. By providing actionable insights and recommendations, this study aspires to empower entrepreneurs, foster industry competitiveness, and drive sustainable economic development in the region.

2. Methods

The method in this research is using a qualitative descriptive method with a population of 9 industries and the samples taken are the entire population of small crispy mushroom industries in Pekanbaru City. The analytical tool used in this research is Porter's five forces model, namely the threat of competition between companies, the threat of suppliers, the threat of buyers, the threat of substitute products, and the threat of new entrants.

- Industry Competitors**
 From the competitor aspect, researchers looked at the selling price of the product, product contents, products sold, type of packaging used, place where the product was marketed, and production equipment used in the small crispy mushroom industrial business.
- Supplier**
 From the supplier aspect, researchers looked at the source of raw materials obtained, initial business capital, capital sources, mushroom land area, and average per-harvest mushroom production.
- Buyer**
 From the buyer aspect, researchers looked at marketing location, product marketing strategy, consumer origin, promotion and income in the small crispy mushroom industrial business.
- Replacement products**
 From the aspect of substitute products, researchers looked at substitute products other than crispy mushrooms, the price of substitute products, product contents and the type of packaging used.
- New arrivals**
 From the aspect of new entrants, researchers looked at entrepreneurs or new entrants in the last 1 year.

3. Results and Discussion

Based on the results of Porter's five forces analysis which consists of five variables, namely competitor variables, supplier variables, buyer variables, substitute variables and new entrant variables, it can be seen as follows.

a. Competitor

Table 3. Price, product contents, products sold, packaging type, marketing place, tools Production and Income in Crispy Mushroom Small Industrial Businesses In Pekanbaru City

No	Name Bussines	Price (pcs)	contens product (gram)	Product sold/ month (pcs)	Type Packaging	Place Marketing	Tools Production
1	Dapoer Thaniya	Rp.20.000- Rp.24.000	160	337	Paper	Consumer local and consumer outside the area	Tecnology
2	Cemilan Aqezi	Rp.20.000- Rp.24.000	140	328	Paper	Consumer local and consumer outside the area	Tecnology
3	Nandhi	Rp.15.000- Rp.20.000	140	342	Plastic	Consumer local	Tecnology
4	Ain Cekri	Rp.15.000- Rp.20.000	140	357	Paper	Consumer local and consumer outside the area	Tecnology
5	Kreasi Jamur Dina	Rp.10.000- Rp.14.000	140	328	Plastic	Consumer local and consumer outside the area	Tecnology
6	Jamur Crispy Ocol	Rp.10.000- Rp.14.000	80	312	Plastic	Consumer local	Traditional
7	Jamur Crispy Yunior	Rp.10.000- Rp.14.000	120	308	Plastic	Consumer local	Traditional

8	Jamur Crispy Brother	Rp.10.000- Rp.14.000	80	312	Plastic	Consumer local	Traditional
9	Krispy Jamur Tiram	Rp.10.000- Rp.14.000	80	312	Plastic	Consumer local	Traditional

Source: Primary Data, 2023.

Based on the table above, it can be seen that the prices for each business are different depending on the product content, capital, production costs, production equipment and materials used. The right price is a price that is in accordance with the product quality of an item, and this price can provide satisfaction. In setting high or expensive prices, entrepreneurs must highlight the product's reputation or product quality in terms of the physical goods, such as the type of packaging chosen, the color and shape of the packaging.

It can be concluded that the selling price is the amount of costs incurred by a company to produce a good or service plus the percentage of profit desired by the company, therefore, to achieve the profit desired by the company, one way to attract consumer interest is by determining the right price. for products sold. The right price is a price that is in accordance with the product quality of an item, and this price can provide satisfaction

b. Supplier

Table 4. Sources of Raw Materials, Land Area, Amount of Production Per Harvest, Capital Beginnings and Sources of Capital in the Crispy Mushroom Small Industry Business in Pekanbaru City

No	Bussines Name	Bahan Baku			Capital Beginning	Source Capital
		Source Raw Material	Wide Land	Production		
1	Dapoer Thaniya	Own Garden and Suppliers	<1 ha	< 29kg	Rp.11.000.000 - Rp.15.000.000	Capital Alone
2	Cemilan Aqezi	Suppliers	-	-	Rp.11.000.000 - Rp.15.000.000	Capital Alone
3	Nandhi	Suppliers	-	-	Rp.6.000.000- Rp.10.000.000	Capital Alone
4	Ain Cekri	Own Garden and Suppliers	<1 ha	< 29kg	Rp.11.000.000 - Rp.15.000.000	Capital Alone
5	Kreasi Jamur Dina	Suppliers	-	-	Rp.6.000.000- Rp.10.000.000	Capital Alone
6	Jamur CrispyOcol	Suppliers	-	-	Rp.1.000.000- Rp.5.000.000	Capital Alone
7	Jamur Crispy Yunior	Suppliers	-	-	Rp.1.000.000- Rp.5.000.000	Capital Alone
8	Jamur Crispy Brother	Suppliers	-	-	Rp.1.000.000- Rp.5.000.000	Capital Alone
9	Krispy Jamur Tiram	Suppliers	-	-	Rp.1.000.000- Rp.5.000.000	Capital Alone

Source: Primary Data, 2023.

Based on the table, it can be seen that the raw materials for the entire small crispy mushroom industry are obtained from suppliers. There are 2 businesses that have their own gardens, but the production from their own gardens cannot meet market demand. This is the

reason suppliers have a big influence on the production of a business. The source of capital to run this small crispy mushroom industry business comes entirely from one's own capital.

c. Buyer

Table 5. Location, Marketing Strategy, Consumer Origin, Promotion and Revenue In the Crispy Mushroom Small Industrial Business in Pekanbaru City

No	Name Bussines	Location	Strategy Marketing	Origin Consumers	Promotion	Income
1	Dapoer Thaniya	Place Production and Mini Market	At least buy it get it for one free 1 pcs	Inhabitant local	Orally to consumer and promotion social media	Rp.>5.000.000
2	CemilanAqezi	Place Production and Mini Market	Give discount price	Only resident local	Orally to consumer and promotion social media	Rp.>5.000.000
3	Nandhi	Place Production and Mini Market	Give discount price	Only resident local	Orally to consumer and promotion social media	Rp.>5.000.000
4	Ain Cekri	Minimarket and Outlet Crispy mushroom	Give discount price	Inhabitant local and outside the area	Orally to consumer and promotion social media	Rp.>5.000.000
5	KreasiJamur Dina	Place Production	The Price Cheaper	Inhabitant local and outside the area	Orally to consumer and promotion social media	Rp.3.000.000- Rp.4.999.999
6	Jamur CrispyOcol	Place Production	The Price Cheaper	Only resident local	Orally to consumer	Rp.3.000.000- Rp.4.999.999
7	Jamur Crispy Yuniur	Place Production	The Price Cheaper	Only resident local	Orally to consumer	Rp.3.000.000- Rp.4.999.999
8	Jamur Crispy Brother	Place Production	The Price Cheaper	Only resident local	Orally to consumer	Rp.3.000.000- Rp.4.999.999
9	KrispyJamur Tiram	Mini Marketand shop	The Price Cheaper	Only resident local	Orally to consumer	Rp.3.000.000- Rp.4.999.999

Source: Primary Data, 2023

Consumer behavior is an important thing to study for a company because consumers are part of one of the company's goals. In this case, the purchasing decision is something that must be considered because the purchasing decision is something that the company does to achieve its marketing strategy. The public as consumers in making decisions to buy a product offered will be influenced by several factors, namely marketing and promotional strategies. Based on table 5, it can be seen that business owners have a strategy in marketing their products. Promotions carried out by business actors only directly to consumers and promotions using social media are clearly different. It can be seen from the income earned by business actors, they appear to be superior by using promotions on social media. It can be concluded that promotions using social media can increase the amount of income and can introduce products widely to consumers which can influence purchasing decisions.

6. New Entrants

Table 6. New Entrants to the Crispy Mushroom Business in Pekanbaru City

No	Bussines Name	Number of Entrepreneurs
1	Dapoer Thaniya	1-2
2	Cemilan Aqezi	1-2
3	Nandhi	3-4
4	Ain Cekri	3-4
5	Kreasi Jamur Dina	3-4
6	Jamur Crispy Ocol	3-4
7	Jamur Crispy Yunior	3-4
8	Jamur Crispy Brother	3-4
9	Krispy Jamur Tiram	1-2

Source: Primary Data, 2023

Based on the table above, it can be seen that the average number of new entrants is 3-4 entrepreneurs. The presence of these new entrants certainly has the potential to influence sales levels.

5. Substitution

Table 7. Substitute Products, Product Contents, Packaging Type and Product Price Substitute for Crispy Mushroom Small Industrial Business in the City Pekanbaru

No	Bussines Name	Product	Product Content (grams)	Type Packaging	Price
1	Dapoer Thaniya	Mushroom Nugget	200	Paper	Rp.16.000- Rp.20.000
2	Cemilan Aqezi	Mushroom Nugget	250	Paper	>Rp.21.000
3	Nandhi	Jamur Tiram Segar	1000	Plastic	>Rp.21.000
4	Ain Cekri	Mushroom Nugget	200	Paper	Rp.16.000- Rp.20.000
5	Kreasi Dina	Jamur Mushroom Nugget & Mushroom Meatball	200	Plastic	Rp.16.000- Rp.20.000
6	Jamur Ocol	Crispy Fresh Oyster Mushrooms	1000	Plastic	>Rp.21.000
7	Jamur Yunior	Crispy Fresh Oyster Mushrooms	1000	Plastic	>Rp.21.000
8	Jamur Brother	Crispy Mushroom Meatball	300	Plastic	>Rp.21.000
9	Krispy Tiram	Jamur Mushroom Meatball	300	Plastic	>Rp.21.000

Source: Primary Data, 2023

Based on the table above, it can be seen that entrepreneurs also provide or sell products other than crispy mushrooms. Replacement products include mushroom nuggets, mushroom meatballs and fresh oyster mushrooms. In this case, entrepreneurs provide replacement products with the aim of meeting consumer needs when one of the required series is still not

available, this shows the company's strategy in attracting consumers. Generally, when there is a vacancy of a certain type, other types can be offered to consumers. So that in this way the company can still record sales and make a profit.

Problems and Recommended Solutions to Overcome Challenges in Small Crispy Mushroom Industrial Businesses in Pekanbaru

A problem is anything that can hinder the achievement of a goal or create a gap between the intended goal and the actual results. These gaps can manifest in various forms such as technological limitations, inadequate human resources, socio-political economic factors, and cultural constraints. In the realm of business, obstacles are encountered when entrepreneurs strive to attain their targets. Every business faces its unique set of challenges, and overcoming these hurdles is crucial for survival and sustained progress.

To address the issue of declining sales, the most suitable solution entails promoting or introducing the product to the public and potential buyers. Promotion efforts can be effectively carried out through social media platforms such as Facebook, Instagram, or other e-commerce channels. Promotion shouldn't be limited to personal selling or verbal communication with consumers (Susanti et al., 2023).

Regarding packaging challenges stemming from limited printing capabilities, acquiring a printing machine at a relatively affordable price emerges as a viable solution. Before making a purchase, it's essential to gather comprehensive information to make an informed decision (Pasaribu et al., 2023). Similarly, for businesses still utilizing basic tools and machinery, investing in affordable equipment can optimize the production process (Rokhman et al., 2023).

In response to intense business competition, owners of small crispy mushroom industries in Pekanbaru City must prioritize enhancing product quality to remain competitive. Quality improvement measures are essential for standing out amidst the competition and retaining customer loyalty.

To address raw material constraints, business actors can explore nearby suppliers to reduce shipping costs and foster good cooperation. Strengthening relationships with local suppliers not only enhances operational efficiency but also contributes to the suppliers' income.

In tackling the challenge of less skilled workers, business actors can provide training and guidance on crispy mushroom production processes to maximize employee contributions. Additionally, offering work benefits can boost employee morale and incentivize them to make significant contributions to the small crispy mushroom industry.

Analysis of Crispy Mushroom Small Industry Business Competition in Pekanbaru According to the Porter Five Forces Model

Porter's Five Forces model is a widely utilized approach for strategic analysis in various industries. According to Porter, competition in an industry is influenced by five key forces: rivalry among existing competitors, the threat of new entrants, the threat of substitute products, the bargaining power of suppliers, and the bargaining power of buyers. In Pekanbaru City, the small crispy mushroom industry faces significant competition with nine businesses operating within the sector. Supplier bargaining power is relatively strong, while the threat of new entrants poses a challenge due to potential price and quality competition. Crispy mushroom prices in Pekanbaru City are highly competitive, and substitute products like mushroom nuggets also vie for consumer attention.

In essence, for the small crispy mushroom industry in Pekanbaru City to thrive, securing adequate raw materials, skilled labor, and efficient tools/machinery is imperative. Product pricing is influenced by quality and ingredients, necessitating a balance between quality and affordability (Putra & Darmawan 2022). Effective promotion strategies are essential to generate consumer interest and drive sales (Zoullanda & Jatmika 2024).

This research is supported by Pertiwi & Raflah (2021) elucidates the business strategy of UKM Lunpia Kings based on competitive positioning and business type using Porter's Five Forces

and SWOT analyses. The findings suggest a low-cost strategy to reduce production costs and penetrate middle-economic market segments. This research underscores the significant influence of Porter's Five Forces variables on business strategies, emphasizing the importance of cost reduction strategies in enhancing competitiveness (Arseto & Syahputri 2021).

4. Conclusion

Based on the results of research regarding the analysis of competition in the small crispy mushroom industry in Pekanbaru City, the author concludes that competition in the crispy mushroom food business is predominantly driven by verbal interactions between consumers and the utilization of social media platforms. To effectively navigate this competitive landscape and bolster business sales, actors in the crispy mushroom industry need to establish a competitive edge. It is observed that employing promotions on social media yields more favorable outcomes in increasing sales compared to solely relying on verbal communication with consumers.

Drawing from these conclusions, the researcher offers recommendations for entrepreneurs in the small crispy mushroom industry in Pekanbaru City. It is advisable for them to innovate by enhancing marketing strategies and leveraging promotions on social media platforms to enhance consumer satisfaction. By prioritizing promotions on social media, entrepreneurs can streamline product marketing efforts, while consumers can conveniently access information about the products. Promotional activities can be conducted across various social media platforms such as Facebook, Instagram, and other e-commerce platforms.

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