

CHAPTER 1

INTRODUCTION

1.1 Background of the Project

Indonesia's small businesses are key to the growth Indonesian economy. On the report of the World Economic Forum, currently, there are over 62 million SMEs (Small and Medium-sized Enterprises) in the country, which is one SME for every five Indonesians. Of these, 98.75% (61.5 million) are micro-enterprises.

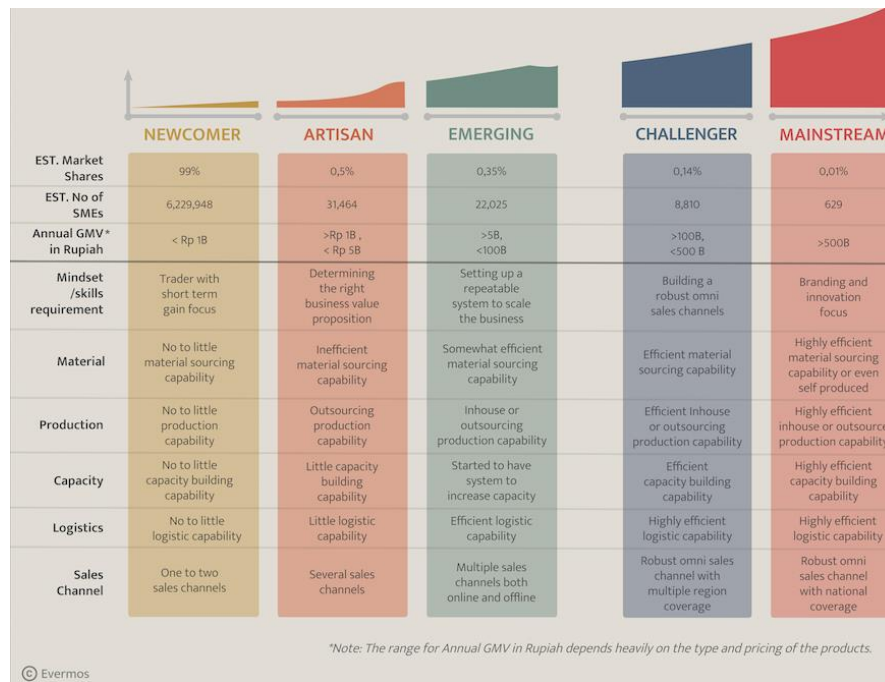


Figure 1.2 SMEs in Different Stages

Source: weforum.org

We are hopeful that with a more personalized approach, more SMEs can grow and contribute significantly to Indonesia's economic growth. Developing these small businesses into bigger ones will be an essential driver of the country's future development. The government affords interest subsidies and simplifies credit scores or financing necessities and investment for MSMEs, inclusive via people's business credit score (KUR) and providing loan price alleviation for MSMEs.

The culinary business has been an increasingly growing economy and shows a significant positive result for Indonesia. As seen in the graph below:

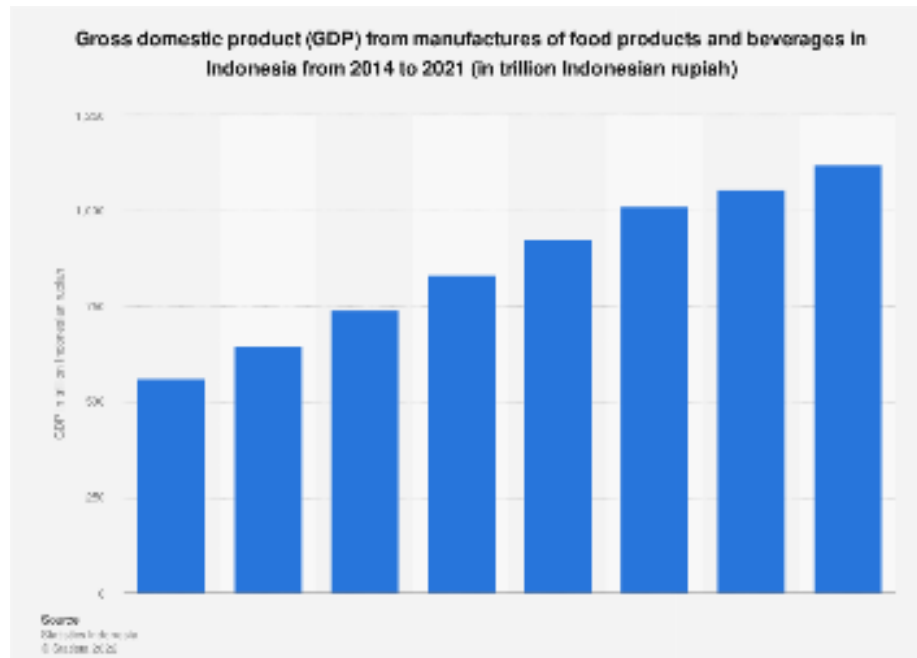


Figure 1.2 GDP from manufactures of food products and beverages Indonesia 2014-2021
Source: Statista.com

It is a business opportunity even though starts with small capital. As maintained by Visi Global, During the pandemic, the food and beverage industry (main) continued to show growth despite fluctuations. As of Q3/2021, the food and beverage industry sector grew 3.49% (y-o-y), higher than the previous quarter, which was 2.95%. In addition, this industry is also one of the leading sectors because it contributes 38.42% to GDP in 2021 and is the largest contributor to the non-oil and gas processing industry sector. This value increased from the contribution in 2020, which was 38.29% .

The culinary business helps the community in solving problems in meeting simple daily desires. Due to busy schedules, consisting of boarding residence kids who're busy operating and reading, college students, and career ladies who are busy with their work, it's far tough for them to prepare dinner and offer lunch each day. That is what sometimes causes so much competition to emerge for business culinary. Of course, there are various things that business culinary need to pay attention that customers can be loyal. As believed by the Thought Shift, Customer

satisfaction should be considered a vital component of any business because it provides marketers and business owners with a metric that can be used to measure and improve business performance from a customer perspective. Not only is it a leading indicator of consumer repurchase intentions and loyalty, but it is also a great way to understand if they will become long-term repeat customers or even advocates (Thought Shift, 2017).

Seeing great opportunities for small businesses to progress and develop in the culinary industry, the authors took the initiative to prove the development of culinary businesses in the city where she live. *Dapur Esah* is a small-sized business established in 2010 in Bengkalis City. This business provides various ready-to-eat food, from meats, vegetables, fishes to various kinds of local culinary. *Dapur Esah* also provides catering and a custom menu for lunch. This business has been running for a long time, but there is still no significant development. Business owners do not yet understand how to develop business and financial management, both in product development and in increasing customer satisfaction, so business owners are confused about adding the selling price of goods along with the increase in the selling price of raw materials. This also results in problems for business owners in developing the business. Product marketing that only uses word of mouth makes this business slow to develop and is not yet known by the wider community. Following the logo and place of *Dapur Esah* in Figure 1.1 Logo and Place of *Dapur Esah*.



Figure 1.3 Logo and Place of *Dapur Esah*
Source: Processed data 2022

Based on the background described above, limited knowledge in business development and marketing is a challenge for small businesses today. I hereby as a writer take the initiative to conduct a research entitled "Development of a Small Business and Customer Satisfaction in Culinary Business (Case Study on MSMEs *Dapur Esah*)".

1.2 Identification of the Problem

Based on the background of the above problems, it can be seen the formulated that the problem solved in this study are as follows: "What Is The Development Strategy for a Small Business and Customer Satisfaction in Culinary Business (*Dapur Esah*)?"

1.3 Purpose of the Project

Based on the formulation of the problem, the authors can mention the objectives of this study are :

1.3.1 General Purpose

The general purpose of this project is to plan and implement a successful development strategy for the sale of *Dapur Esah* to compete for a competitive advantage in the culinary business.

1.3.2 Specific Goals

In this project there are specific goals that the author wants to achieve, namely:

1. To plan a development strategy on *Dapur Esah*.
2. To develop the product innovation on *Dapur Esah*.
3. To plan Marketing Strategy on *Dapur Esah*
4. To develop the customer satisfaction on *Dapur Esah*.
5. To find out the constraints and solutions faced in the implementation of this project on *Dapur Esah*.

1.4 Significance of the Project

Based on the identification, the significance of the project that the author will raise are:

1.4.1 Benefits for Producers:

The results of this project are expected to provide input and evaluation materials to improve, implement, and create competitive advantages through the right strategy for small businesses in culinary business.

1.4.2 For the Author:

The results of this project are additional knowledge in applying theoretical knowledge obtained during lectures in special practices in the field of entrepreneurship and knowing the factors that increase customer satisfaction.

1.4.3 For Universities:

The results of this project are expected to be used as additional references for research on the same topic.

1.5 Time and Place of Project Implementation

Based on the identification, the time and place of the project implementation that the author will raise are:

1.5.1 Time of the Project Implementation

The implementation time of this project will be carried out for three months, starting in July, August, September, and October.

1.5.2 Place of the Project Implementation

The place for the implementation of the MSMEs production process is carried out at the place of the business owner whose address is at Jl. SD 04. Meanwhile, for the implementation of marketing and product sales, it is carried out directly to potential consumers and shows the products to be offered and also uses social media such as WhatsApp, Facebook, and Instagram.

1.6 Writing System

In order for the writing of this thesis report to be systematic and neatly structured, a systematic report writing is required. The following is the systematics of thesis report writing:

CHAPTER 1 : INTRODUCTION

In CHAPTER 1 explains the background of the project, the formulation of the project, the project objectives, the benefits of the project, the time and place of the project implementation as well as the systematic writing of reports.

CHAPTER 2 : LITERATURE REVIEW

In CHAPTER 2 describes the literature review and the basis of the previous theory that will be used in the completion of the project.

CHAPTER 3 : METHOD AND ACCOMPLISHMENT PROCESS

In CHAPTER 3 will explain the implementation plan, starting from the sources of data, data analysis methods, project schedule and budget.

CHAPTER 4 : RESULT AND DISCUSSION

In this CHAPTER 4 will explain the results and discussion of project.

CHAPTER 5 : CONCLUSIONS AND SUGGESTIONS

In this CHAPTER 5 will explain the conclusions and suggestions of the project carried out.

REFERENCES

WRITER BIOGRAPHY