

CHAPTER I

INTRODUCTION

1.1 Background

In the current era of globalization, the development of the business world is very fast, especially in the economic sector. The development of the business world can be interpreted that on the one hand it provides enormous business opportunities, but on the other hand it presents challenges and threats that need to be taken into account or watched out for, namely in the form of competition. Business competition is getting tighter, causing consequences in the competition for Micro, Small and Medium Enterprises (MSMEs). MSMEs are required to be able to continuously improve their competitiveness by prioritizing the quality of the products produced so that in a short time they are able to change themselves to be stronger and able to respond to needs and requests from the marketing aspect.

The MSMEs development program as an instrument to increase people's purchasing power, MSME development is very strategic in driving the national economy, considering that its business activities cover almost all business fields so that the contribution of MSMEs is very large for increasing income for low-income groups. In developing MSMEs, it is not only steps that must be taken by the Government and is not only the responsibility of the Government. MSMEs as internally developed can take steps together with the Government because their potential is able to create business creativity by utilizing the facilities provided by the Government.

Production is an activity concerning the creation and addition or utility of goods and services. To produce good production, it is necessary to pay attention to the factors of production that are generally used, namely labor, land and capital. Scarcity in a production factor will usually cause an increase in the price of that production factor. The production of durian clay has decreased due to the main raw material, namely durian, which is very difficult to obtain and the need to find

suppliers of durian from outside Bengkalis, which causes traders to not dare to produce. However, for some of their trading businesses they still produce clay durian from outside of Bengkalis so that their production continues.

Demand analysis is one of the most important analyzes in microeconomics. With this tool, an economy will be able to analyze almost all aspects of the economy. Through demand analysis, an economist will be able to understand the response of the price and quantity of a good and service (commodity) to changes in other economic variables. Through demand analysis, an economist will also be able to analyze the impact of various government interventions on the market.

Selat Baru Village is located in Bantan District, Bengkalis Regency. In Selatbaru Village, many industries have developed with various types of processing and business scales so that Selat Baru Village is a place for the growth of various forms of industry, one of which is the "Lempuk Durian MSMEs Frans Family". Soft Durian is dodol with the main ingredient of durian fruit which is a traditional processed food mainstay of the people of Riau, especially Bengkalis Regency. The making of this clay is done down and down by using simple technology. Lempuk Durian has been widely introduced to remote areas.

Based on field observations in 2020, in terms of revenue, this product decreased from the previous year due to Covid-19. With reduced capital, this product is produced and packaged using human labor or manually. With limitations in using social media, this product is not widely recognized by the outside community. This product is still being promoted by word of mouth. Based on this background, the authors are interested in researching about **“Analysis of Production Factors and Demand for Lempuk Durian on MSMEs Frans family Selat Baru ”**.

1.2 Formulation of the Problem

Based on the background described above, the formulation of the research problem is:

1. How are the is the production factor for lempuk durian at MSMEs frans family selat baru?

2. How is the demand for lempuk durian at MSMEs the frans family selat baru?

1.3 Purpose of the Study

Based on the background described above, the objectives of this research are:

1. To find out how the production factors of lempuk durian at MSMEs frans family selat baru.
2. To find out how the demand for lempuk durian at MSMEs frans family selat baru.

1.4 Significance of the Study

The benefits of this research are as follows:

1. For writers, increase the writer's insight in the field of commercial administration.
2. For Bengkalis State Polytechnic, the authors hope that the results of this study can add literature and references that can be used as information for students who take similar problems.
3. For other parties, the author hopes that the results of this research can add to the knowledge and references that can be used as a source of information.
4. For the general public, this research can also be used as material to examine more deeply the development of the business world, especially what researchers are doing.

1.5 Scope and Limitation of the Problem

The problem boundary is the scope of a problem or an attempt to limit the scope of the problem that is too broad or wide so that the researcher focuses more on one object to do. This is done so that the discussion is not too broad on aspects that are far from relevant. Of the many problems, one or two problems that will be questioned will be examined. So that in this study only focused on the factors of production and demand for Lempuk durian at MSMEs Frans Family Selat Baru.

1.6 Writing System

The systematics of writing on the research thesis report Analysis of Production Factors and Demand for Lempuk Durian on MSMEs Frans Family Selat Baru Village are as follows:

CHAPTER 1 : INTRODUCTION

This chapter describes the research background, problem formulation, research objectives, research benefits, the scope and limitations of the problem and the systematics of the report.

CHAPTER 2 : LITERATURE REVIEW

This chapter describes previous research and the theories that support the preparation of this report and the relevant research and frameworks.

CHAPTER 3 : METHOD AND PROCESS OF COMPLETION

This chapter includes types of research, location of time and research objects, types and sources of data, population and sample, data collection techniques, data processing techniques, scale measurement, validity and reliability testing, data analysis methods, research models, types of research, concept definitions and operational variables, research schedule and budget.

CHAPTER 4 : RESULTS AND DISCUSSION

This chapter contains the results of testing, discussion and limitations of research results. The results of the thesis proposal are made in the form of tables, graphics, photo images or other forms so that it is easier to follow the discussion description. The discussion about the results obtained is made in the form of a theoretical explanation, either qualitatively, quantitatively or statistically.

CHAPTER 5 : RESULTS AND DISCUSSION

This chapter contains the results of testing, discussion and limitations of research results.

REFERENCES

APPENDIX

WRITER BIOGRAPHY

