

CHAPTER I

INTRODUCTION

1.1 Background of the Project

Culinary businesses and Micro, Small and Medium Enterprises (MSMEs) play an important role in the Indonesian economy, both in terms of jobs created and the number of businesses. In recent years, various studies have shown how this sector faces opportunities and challenges.

The opportunities for MSMEs as potential businesses that are the mainstay and basis for future development are the role of small industries that are able to absorb labor, which is estimated to absorb up to fifty percent, the opportunity to have a business segment that is unique and different from competitors, the opportunity to innovate and utilize unfilled market segments, can be run with simple management that is flexible to market changes (Mushin, 2022).

The rapid development of MSMEs does not escape the challenges that are urgent to find a way out. These challenges include the limited ability of human resources, especially in the fields of management and bookkeeping, limitations in distributing or marketing products because producers are more focused on the production process, limitations in building trust with consumers, lack of monitoring and evaluation both from the government and from the producers themselves, limitations in business development due to the lack of financing sources (Mushin, 2022).

The culinary business is one of the most dynamic sectors and has great potential to grow, especially in today's digital era. According to data from the Badan Pusat Statistik (BPS) dan Kementerian Koperasi dan Usaha Kecil dan Menengah (Kemenkop UKM), the MSME sector, including the culinary business, contributes more than 60% to Indonesia's Gross Domestic Product (GDP) and absorbs more than 97% of the national workforce. With this considerable contribution, the development of MSMEs, especially in the culinary sector, is very important for regional and national economic growth and national economic growth.

The application of digital technology for marketing plays an important role in introducing products online. Social media is one of the easiest digital marketing tools to use in business. Apart from being low cost and not requiring special skills in doing the initial initiation, social media is considered to be able to reach potential buyers directly.

Based on the web We Are Social report, the number of active social media users in Indonesia reached 167 million people in January 2023. This is equivalent to 60.4% of Indonesia's population. With social media users in Indonesia increasing every year, MSMEs need to seize the opportunity to evolve their marketing strategy from word-of-mouth to digital marketing to reach more potential customers.

Digital marketing is the use of digital technology to create communication channels with potential customers, ensure effective interactions, and support the achievement of business goals. It involves utilizing various digital platforms such as websites, social media, and mobile applications to build deep relationships with target audiences. Digital opens up opportunities for businesses to deliver messages, promote products or services, and get real-time feedback, all of which can help run businesses more efficiently and effectively (Priatama et al., 2021) in (Syahbani, et al., 2024).

To increase the exposure of local products and bring MSME players closer to potential customers, it can be done by holding a business expo. Expo, in a business context, is different from an art exhibition. Exhibition as one part of the MICE (Meeting, Incentive, Conferency and Exhibition) service business can be interpreted as a form of activity in order to promote, show, demonstrate various products of goods or services to the audience of visitors in a certain place and within a specified period of time.

Exhibition activities that are often held in this country, some are sourced from the idea of the exhibition organizing company and some are sourced from government programs which are usually auctioned through the opening of tenders for exhibition organizing companies. Whichever source it comes from, every exhibition must in principle be effective and right on target in an effort to introduce

products, capture market potential, boost product sales in large quantities and expand business networks.

One type of exhibition is business to consumer (B to C). B to C is the organization of local, national and international scale exhibitions, featuring exhibitors from local, national and international to promote and sell products in an effort to introduce, boost product sales and capture a large number of potential markets. The success indicator of the B to C exhibition lies in the results of transactions that occur between exhibitors and visitors during the exhibition (Surachman, 2022).

The success of organizing a product or service exhibition, which is marked by the number of transactions that occur between exhibitors and visitors during the exhibition, is not due to coincidence. And the number of potential visitors who are interested and moved to come to the exhibition and then make buying and selling transactions is certainly not due to no cause. However, the success of the exhibition can be achieved because the Exhibition Organizer in preparing its work always begins with making comprehensive and mature planning.

The Business Expo with the theme "Culinary Business and MSMEs" is an important forum for exploring and discussing developments, innovations and relevant strategies to support the growth of this business sector. Polbeng Business Expo is the first event organized by the International Business Administration study program, Politeknik Negeri Bengkalis (Polbeng).

The culinary and MSME expo project reflects a commitment to introduce a variety of local products and support the development of small and medium businesses. The event will serve as a platform for MSME players to showcase their products, both in the culinary and non-culinary fields. This activity will be held for two days and will be filled by 54 MSME tenants in Bengkalis.

There are many MSMEs in Bengkalis, one of which is Floor Coffee Space. Floor Coffee Space is a café that was established in 2021 in Bengkalis. This café is located on Gatot Subroto street, close to the city center of Bengkalis. This café provides a comfortable place to gather, besides that the employees who work there are very friendly, so that many consumers continue to return there.

Floor Coffee Space serves a wide variety of coffee and non-coffee drinks. To provide good quality for their customers, they use the best coffee beans. Some of their signature drinks are Caramel Macchiato and Ice Coffee Floor. In addition, this café also serves a variety of food and snacks, some of their best sellers are Chicken Sambal Matah and Mie Goreng Floor.

In the past year, the café has shown significant growth. Some of the strategies undertaken by Floor Coffee Space include menu innovation, the application of digital technology for marketing and ordering, and collaboration with local communities. Floor Coffee Space is the author's choice as a tenant to fill the expo because it has the potential to apply digital technology and has a good reputation in the local community or among students, so this can be an additional attraction for visitors.

Based on the background above, the author is interested in taking on a project with the title **“Polbeng Business Expo (Case Study on MSMEs Floor Coffee Space)”**.

1.2 Identification of the Project

Based on the background described above, the project identification that will be discussed in this project is how the process of implementation the Polbeng Business Expo (Case Study on MSMEs Floor Coffee Space).

1.3 Purpose of the Project

1.3.1 General Purpose of the Project

The general purpose of this project is how to organize and implementation Polbeng Business Expo (Case Study on Floor Coffee Space).

1.3.2 Specific Purpose of the Project

The specific objectives of this Expo of Culinary and MSMEs project are as follows:

1. To creating business profile of expo and Floor Coffee Space.
2. To creating digital marketing one month before Polbeng Business Expo.
3. To creating product catalog of Floor Coffee Space.

4. To creating video profile of Floor Coffee Space.
5. To creating financial report of Floor Coffee Space during expo.

1.4 Significance of the Project

The significance of the project “Polbeng Business EXPO (Case Study on MSMEs Floor Coffee Space)” are as follows:

1. For Author

The result of this project is additional knowledge in applying theoretical knowledge obtained during practical lectures specifically in the field of entrepreneurship and knowing the factors that lead to success in entrepreneurship or managing an event.

2. For Entrepreneurs

From this project, it can help develop the profile of Floor Coffee Space’s business to be more recognized by the public.

3. For Universities

It is hoped that the results of this project can be used as an additional reference for further research on the same topic.

1.5 Place of Project Implementation

The implementation time of the Polbeng business expo will be held for 2 days, namely in 30-31 October 2024. The preparation of this project takes 6 months since July till November 2024. The implementation location is at the State Polytechnic of Bengkalis.

1.6 Writing System

The systematic writing of this Expo Culinary and UMKM (Case Study on MSMEs Floor Coffee Space) project is as follows:

CHAPTER I: INTRODUCTION

In this chapter will explain the background of the project, identification of the project, purpose of the project, significance

of the project, time and place of the project and the writing system of a project report in an undergraduate thesis.

CHAPTER II: LITERATURE REVIEW

In this chapter will explain the theory that is relevant to the subject of the thesis. The theory is divided into two, namely, general theory and specific theory.

CHAPTER III: METHOD AND ACCOMPLISHMENT PROCESS

In this chapter will explain the project preparation plan, project implementation plan, project completion plan, and project reporting plan.

CHAPTER IV: RESULT AND DISCUSSION

In this chapter will explain about the reports on the implementation of project activities which include project preparation, project implementation, project completion and financial report.

CHAPTER V: CONCLUSION AND SUGGESTION

In this chapter will explain the conclusions and suggestions after the project is implemented.

REFERENCES

APPENDICES

WRITER BIOGRAPHY