

# MARKETING STRATEGY OF LOCAL WISDOM SMEs ROTI DURIAN PANGLIMA

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## Abstract

Samarinda is the capital city of the province of East Kalimantan. The city government of Samarinda has been set to utilize and develop the potential of the development of the economy of regions based on natural resources. This article aims to explore the potential effect of natural resources, namely durian fruit in the region melak, to be developed into a product featured locally by formulating its development strategy to be able to compete in the world of business SMEs. The method used in this article is a qualitative approach. The selection of Durian Panglima Bread SMEs as an object of research is based on local wisdom, which is used as raw material in marketed products so as to introduce local potentials. Data collection based on primary data and secondary data that the author has done. Observations were made at the Durian Panglima Bread SMEs outlets in the cities of Balikpapan and Samarinda, the results of this study concluded that the use of local wisdom by looking at existing natural resources can provide much better potential in terms of product development, which can create jobs and prosper the people. In an effort to develop products for UKM Durian Panglima Bread, it takes a long process to reach the current point with 11 outlets and two outlets. The very rapid development of SMEs with high competitiveness requires UMKM Roti Durian Panglima to carry out several marketing strategies, namely the order system, resellers at the beginning of its product, to opening branches in several places. However, it cannot be separated from the technology system to accelerate the process of spreading the brand image through social media. Also, it requires UKM Durian Panglima Bread to innovate its products with new fillings so that customers feel more interested.



**Keywords**: Strategy, Marketing, Bread, SMEs, Local Wisdom This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International

## INTRODUCTION

The current economic growth, especially in Indonesia, is more supported by various industrial and service sectors, one of which is SMEs (Resalawati, 2011). Small and Medium Enterprises (SMEs) have a fairly large role in national economic development, this can be seen from their contribution to Indonesia's Gross Domestic Product (GDP) which continues to increase every year (Sulistiono & Mulyana, 2010). In addition to playing a role in national economic growth and employment, SMEs also play a role in the distribution of development results and are a driving force for the growth of

national economic activity (Rohani, 2018). Attention to the development of the Micro, Small and Medium Enterprises (UMKM) sector gives its own meaning to efforts to reduce the poverty rate of a country (Zulkarnaen & Sutopo, 2013).

Small and Medium Enterprises (UKM), as stated in the Law (UU no. 9 of 1995, is the people's economic activity which has a net worth of at most Rp. 200 million, excluding land and buildings where the business is conducted or those that have yields annual sales of at most 1 billion and belong to Indonesian citizens. Still in this law, small and medium enterprises (SMEs) are divided into two criteria:

- 1. The industrial sector, has a total assets of at most Rp. 5 billion, and
- 2. The non-industrial sector has a net worth of at most Rp. 600 million excluding land and buildings for business premises, and has annual sales of at most Rp. 3 billion

Presidential Instruction No. 10 of 1999 defines a medium-sized business as a business that has the following criteria: has a net worth greater than 200 million to the most a lot of 10 billion, excluding land and buildings for business premises, belong to Indonesian citizens. Stand alone and not a subsidiary or branch of a company owned, controlled or affiliated directly or indirectly with large businesses. In the form of individual businesses, business entities that are not legal entities and business entities with legal status.

The small industrial sector is one form of alternative strategy to support economic development in long-term development in Indonesia (Wicaksono & Saputra, 2013). In a broader context, the existence of small industries can make a big contribution to the growth of national development (Hazmi, Saroh, Daris Zunaida, & AB, n.d.). Tambunan's (2001) in (Polnaya & DARWANTO, 2015) explains that one of the characteristics of good economic dynamics and performance with high growth rates in East and Southeast Asian countries known as Newly Industrializing Countires (NICs) such as South Korea, Singapore, and Taiwan is business performance. Small and Medium Enterprises (UKM) they are very efficient, productive and have a high level of competitiveness. SMEs in these countries are very responsive to government policies in private sector development and increasing export-oriented economic growth.

Roti Durian Panglima is an SME located in the city of Samarinda and is currently developing rapidly by utilizing its natural resources, namely using local durian fruit (durian melak) as its primary menu, which is processed into bread filling jam. The characteristic of this bread, with its soft texture combined with local durian jam, has made the branding of this brand increasingly recognized by the people of East Kalimantan. This is because almost all people like durian fruit, so when there is a new breakthrough in how to eat durian fruit with bread packaging accelerates it known as Panglima Durian Bread.

The development of industrial revolution 4.0 and society 5.0 is able to encourage SMEs to develop quickly and independently as well as through programs launched by universities, government, the general public and NGOs (Ahmadi & Ibda, 2019). The community can easily carry out the use of digital technology to develop SME activities that have not maximally utilized the communication technology infrastructure (Febriyantoro & Arisandi, 2018). It is hoped that communication technology will be able to create the potential and provide opportunities in the development of local wisdom SMEs, especially the Panglima Durian Bread.

Panglima Durian Bread is one of the SMEs that uses natural resources as a characteristic of its products. So to deepen the information on these SMEs, this paper aims to find out local wisdom in the form of SMEs in East Kalimantan, especially Samarinda City, to know the history of the establishment of the Panglima Durian Bread SMEs, to know the profile of the founder of the Panglima Durian Bread SME'S, to find



out the products of the Panglima Durian Bread UKM, know the strategies that have been used

running the Durian Panglima Bread business SMEs.

East Kalimantan is a tropical area; many trees can grow well, one of which is the Durian fruit which is widely available in Melak district (<u>Irawan, Hidayat, & Risal, 2017</u>). Durian fruit is only used by the local community as seasonal fruit. The taste that is different from most of the durian on the market makes durian fruit the prima donna in the hearts of East Kalimantan people, especially Kota Samarinda, which is very close to (<u>Febiana & Akbar, 2019</u>). This potential is the forerunner to the use of local wisdom with the use of natural resources as the main ingredient for Roti Durian Panglima SMEs.

According to (Lailia, 2014) conceptual ideas that exist and live in society develop and grow continuously in people's consciousness, which can be approached from ethical, religious, intellectual, aesthetic or even other values such as technology, economy and others referred to as a pearl of local wisdom. The utilization of durian fruit, especially fruit flesh, is increasingly widespread and diverse (Widyawati & Nurbani, 2017). Currently, people can directly consume durian fruit flesh, but it can also be processed into several products, including tempoyak, lunkhead, fruit juice, ice cream, confectionery, jam, various cakes, chips and durian flour. Processing of durian seeds can be processed into chips and flour. Durian seed flour can be processed into a mixture in making cakes/bread and lunkhead.

This article aims to explore the potential for natural resource development, namely durian in the Melak area, to be developed into a superior local product by formulating a development strategy to be able to compete in the SMEs business world.

There have been many previous studies relevant to this research, namely examining marketing strategies in SMEs. One of them is a research conducted by (RAHMAT, 2015) with the title Marketing Strategy for UKM Kopi Rangkiang in Batusangkar. In this study, it was found that small and medium enterprises were more able to survive longer from the economic crisis, because they were more flexible and made more use of local resources so that they could be relied on to support economic resilience. However, in its development, small and medium enterprises are still facing various problems that need attention from various parties such as low productivity, unprofessional human resources and management, less responsive to technological changes and lack of capital. Then inadequate market access, including The distribution network which functions as a marketing channel is not yet running efficiently and there are no signs of improvement in the national economy as well as challenges from the development of free trade.

The difference between this study and previous research is that it lies in the object under study. In this study, the object of research is Panglima Durian Bread which is a local product from Samarinda.

# RESEARCH METHODS

The method used in this article is a qualitative approach, which is a research procedure in which the resulting data is in the form of descriptive writing and behaviour that can be observed from the subject itself (Afrizal, 2014). The selection of Durian Panglima Bread SMEs as an object of research is based on local wisdom, which is used as raw material in marketed products so as to introduce local potentials.

Data collection based on primary data and secondary data that the author has done. Observations were made at the Durian Panglima Bread SMEs outlets in the cities of Balikpapan and Samarinda. At the same time, in order to deepen the content of the material, the authors conducted direct interviews with the primary source, namely Mr Ferry as the founder and initiator of Panglima Durian Bread. The Panglima Durian Bread SMEs was chosen because it is a new SMEs that is rapidly developing and is a product of the development of local wisdom in East Kalimantan.



## RESULTS AND DISCUSSION

Social media as an appropriate marketing tool is a strategy that can encourage durian bread UMKM businesses to become famous. In addition, the use of local resources, namely the use of durian fruit as a basis for product filling, is of added value. This method needs to be followed by other MSMEs in developing and innovating new products with the local wisdom of their respective regions.

Panglima Durian Bread SMEs in Samarinda City is a typical souvenir product from the City of Tepian (nicknamed Kota Samarinda). Panglima Durian Bread has a legit taste with a soft texture coupled with the distinctive flavour of durian. The Panglima Durian Bread products are like pillows lined up as many as eight pieces, in the middle of which are filled with durian jam. The fragrance of Panglima Durian Bread is very distinctive and fragrant. The aroma makes you tasteful to immediately taste the bread made from soft wheat flour's main ingredient. Panglima Durian Bread is the first product of Samarinda residents to utilize local wisdom.

# A. History of the establishment of Panglima Durian Bread

The Panglima Durian Bread SMEs is a product founded by the Panglima Roti Dudruk company. This company produces Panglima durian bread and noodles in Antasari. Prior to its establishment, the Panglima bakery company produced sweetbreads and Batubara cakes which became the forerunners of the Panglima durian bread. When the harvest arrives, the number of durian melak makes the founder of the Panglima durian bread collaborate his sweet bread with durian melak jam so that the Panglima durian bread product was created.

This SME was initiated by three people; they accidentally met and greeted each other. They communicate many new things, especially those in the business world. In the development of communication between them, they are still thinking about the initial capital to start a business. As time went on, they meet Mr Budiman, who was willing to provide the initial means to open a business. Then escorted them, namely Mr Ferry and Mr Nugi submitted a business proposal to Mr Budiman, which was finally approved in exchange for dividends each month.

The Panglima Durian Bread was officially launched in July 2013. However, it started its business in February 2011 ago. The products offered are several pieces of bread and types of eclairs and cakes with cheese and chocolate filling variants.

All products are done in the CommanderRoqiiqu Group Commander have 11 outlets in Samarinda and one outlet in Balikpapan. The centre for typical Samarinda souvenirs is on Jl. Ir, H. Juanda No 55a, sub-district of samarinda ulu, Samarinda City, East Kalimantan 75124.



Picture 1. The Panglima Durian Bread Outlet Center in Samarinda

## B. Profile of the Founder of Panglima Durian Bread

The founders of Durian Panglima Bread SMEs consisted of a triad, where, at first, they met only to greet and finally talked about many things about business. The following is the name of the founder of the Panglima Durian Bread SMEs:

- a) Nugrohadi Yuwono, or Mr Nugi, he is a graduate of STAN (College of State Administration). Mr Nugi is the best graduate. With his achievements at that time, the university gave two choices for Mr Nugi, to do entrepreneurship in the Riau area or in the Kalimantan area. So Mr Nugi chose Kalimantan to start his life
- b) Mr Ferry is an alumnus of this cooking school in Bali, he also served as a cook on a ship in the Bali area. Then continued his career at the Bogor company.
- c) Mr Mulyadi, before entering the business world, he was an employee of a company in the equipment department, with the experience he had trying to get into the business world.

## C. Panglima Durian Bread Products

Each product has its own advantages, including the Panglima Durian Bread, where the Panglima Durian Bread variant consists of original durian and filled durian with toppings or cheese sprinkles. Nugrohadi Yuwono said Panglima Durian Bread Material uses ingredients that are generally used for bread, namely wheat flour, sugar, eggs, milk and butter plus quality powdered milk. Jam is made from natural Durian fruit that has been cooked without harmful preservatives.

- (a) Panglima Original Durian Bread. This bread only contains durian jam that has been processed from the distinctive durian melak meat without preservatives. Its deliciousness can be felt like eating durian melak fruit directly combined with the softness of processed bread.
- (b) Topping Durian Panglima Bread or sprinkled with cheese. This bread contains durian jam that has been processed from the typical durian melak meat without preservatives and sprinkled with cheese so that its deliciousness can be felt like eating durian melak directly combined with the soft processed bread plus the delicious cheese.



Picture 2.Original bread and sprinkled with cheese

# D. Commander's Durian Bread Marketing Strategy

At the beginning of its development, Panglima durian bread, which has not reached a year of existence (maybe just) entering the 7th month of its business journey,



has already received extraordinary attention from customers. When the business is only two

old, orders from customers have increased rapidly. This is due to something new in product innovation with local wisdom on the use of natural resources, namely Melak durian fruit as a filling for delicious bread, as well as several strategies, namely:

# a) Order system and mobile van.

The enthusiasm of the good Samarinda community for the product made the owner make an order system the day before; this was a form of strategy to read demand at the beginning and also provided a van to be able to promote elsewhere with a heavy traffic level to attract visitors. Panglima durian bread products unexpectedly exploded on the market, so that they were overwhelmed in serving market demand.



**Picture 3.** Mobile Van

# b) Reseller.

There are obstacles that are often faced over time in the durian Panglima bread business. Entrepreneurs must be good at reading the market situation in order to maintain their production goods, not to mention the delay in the primary raw materials used in making durian bread. Coupled with rankings outside the city from Balikpapan, Bontang, West Kutai, and Makassar, this route is quite far becoming an obstacle because durian bread only lasts one day because the company is committed to not using preservatives in the durian bread. For this reason, Panglima durian bread SMEs is assisted by a reseller in terms of distributing their products so that they are quickly recognized by the public with agreed provisions. According to Yustisia (2013):

# 1. Outlet.

To develop the market for the future and be closer to UMKM consumers, Roti Durian, the Commander of the Commander, set up an outline around the international airport along Balikpapan, to be precise in the departure hall. The purpose of this is to expand and introduce Panglima durian bread products to be closer to the community, especially for the East Kalimantan region and for migrants passing through the airport. Panglima durian bread is expected to be a uniquely superior product from Samarinda, which has received a permit from the tourism office to position its products as souvenirs typical of the provincial capital of East Kalimantan. So that opening outlets is the following strategy for developing this business.



Picture 4. Samarinda Outlet and Sepinggan Airport Balikpapa



## 2. Social media.

Social media marketing is a process that encourages individuals to promote through their website, products, or services via online social channels and to communicate by leveraging a much larger community that is more likely to do marketing than through traditional advertising channels (Weinberg, 2009: 3-4). "Social media marketing is a form of advertising through internet media that takes advantage of the modern culture of social communities through virtual world networks, virtual worlds, social news sites, and social opinion sharing sites to meet communication goals" (Tuten, 2008: 19). Roti Durian Panglima started marketing its products through BBM; Many things were done at that time only by using BBM with promotions from friends to friends to the latest social media today by taking advantage of the industrial revolution 4.0 and society 5.0. namely Facebook, Instagram, WA business, Twitter etc. An important point to do is always post existing products with attractive content plus good product packaging. Since the establishment of this UMKM, it has replaced three different packages to attract buyers' attention. (Figure 5.6) Since the establishment of these SMEs, it has replaced three other boxes to attract buyers' attention. (Figure 5.6) Since the establishment of these SMEs, it has replaced three different packages to attract buyers' attention.



Picture 5. Creative content through social media



Picture 6. Product packaging innovation

## 3. Outlets.

The rapid growth of Durian Panglima bread SMEs made the founders think further to create an outlet as a distribution centre and make it a central place by the speciality of Samarinda. With a strategy, many tour groups stop by for a break to enjoy bread, then go home carrying some souvenirs. According to Kotler and Keller (2012: 363) According to Fandy Tjiptono (2012: 395), "A series of organizational participants who perform all the functions needed to deliver products/services from the seller to the final buyer". But another opinion according to MJ Etzel in Danang Sunyoto (2014: 172), "The distribution channel consists of a series of institutions that carry out all the activities used to distribute products and the status of branch ownership from producers to end consumers."



Picture 7. Panglima outlets, Samarinda

# **CONCLUSION**

The use of local wisdom by looking at existing natural resources can provide much better potential in terms of product development, which can create jobs and prosper the people. In an effort to develop products for UKM Durian Panglima Bread, it takes a long process to reach the current point with 11 outlets and two outlets.

The very rapid development of SMEs with high competitiveness requires UMKM Roti Durian Panglima to carry out several marketing strategies, namely the order system, resellers at the beginning of its product, to opening branches in several places. However, it cannot be separated from the technology system to accelerate the process of spreading the brand image through social media. Also, it requires UKM Durian Panglima Bread to innovate its products with new fillings so that customers feel more interested.

The right strategy to increase sales during the current digital transformation era is by utilizing social media marketing such as Facebook, Twitter, WhatsApp and Instagram. This strategy will make it easier for the product to be recognized by consumers quickly so that the growth of UMKM Roti Durian Panglima will be even faster.

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