

Strengthening the Resilience of Perbaungan Dodol SMEs through Strategic Adaptation to Infrastructure Development in Indonesia

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Abstract. This study investigates the strategies for strengthening the Perbaungan Dodol Center business amidst the impact of infrastructure construction in Indonesia. Using a descriptive approach with a survey design and SWOT analysis, the study examines the internal and external factors affecting the competitiveness of Dodol SMEs. It identifies potential diversification strategies for adapting to the changing business environment. The results indicate that the dodol SMEs face significant threats from the construction of the Medan-Tebing Tinggi Toll Road, which has led to a decline in sales and revenue. However, the SMEs also have several strengths, such as product quality, customer loyalty, and regional branding, that can be leveraged to overcome these challenges. The study proposes a diversification strategy that includes product expansion, market expansion, partnerships, brand development, product innovation, and customer service. The findings highlight the need for government support and capacity building for SMEs in the face of infrastructure development and provide practical recommendations for enhancing their competitiveness and resilience. The study contributes to the literature by addressing a gap in research on SMEs' strategic responses to regional development impacts and offers insights for policymakers and development agencies seeking to promote inclusive and sustainable economic growth)

Keywords: Diversification strategy, Capacity building for SMEs

1. Introduction

Small and Medium Enterprises (SMEs) are crucial to Indonesia's economic growth. SMEs are resilient economic drivers that significantly impact Indonesia's efforts to enhance economic development (Jalali et al., 2014; Rodriguez et al., 2016). One of the priorities of the Indonesian Government's Work Plan is the development of micro, small, and medium enterprises (SMEs). Developing micro, small, and medium enterprises (SMEs) is an essential agenda in Indonesia's economic development to improve and secure the welfare of the people. Based on Institutional theory, in the context of SME development, regulations and understanding the institutional environment are crucial for designing effective government policies to foster a business environment and promote entrepreneurship (Amenta & Ramsey, 2010). Institutional theory highlights the role of various stakeholders, including government agencies, private investors, users, and communities.

Locating nearby well-connected toll road networks can offer advantages in accessibility, logistics, and customer service. Conversely, businesses in areas with limited toll road access may face market competitiveness challenges (Nguyen et al., 2020). Pasar Bengkel area in Perbaungan is a center for local souvenirs and culinary tourism in the Serdang Bedagai Regency, Indonesia. Pasar Bengkel area is in the Sumatra Trans-Sumatra highway area and is utilized by the local community to preserve and develop the Dodol business. Perbaungan Dodol is a traditional food product with a chewy texture made from glutinous rice flour, sugar, and coconut milk, known for its distinctive flavor (Purnamasari, 2020). Dodol has become a signature product in this region. According to Afrizal, (2021), the Medan Tebing Tinggi toll road was inaugurated and operational. The Trans Sumatra Toll Road between Medan and Tebing Tinggi had a detrimental effect on the decline in revenue for the Dodol business in Bengkel Village. The Dodol Culinary MSME center, located in the Bengkel Village of Perbaungan District, Serdang Bedagai Regency, North Sumatra, hopes to draw in visitors. Due to the toll road, there have not been any buyers at the Dodol Culinary MSME Center thus far.

Additionally, there was a decrease in revenue between the pre- and post-road periods, indicating that Trans Sumatra Toll Road's existence was impacted in opposition to foolish enterprise in Bengkel Village. Many drivers are switching to toll roads, which is the reason for this discrepancy. As a result, fewer vehicles are pulling into the MSME Center in Serdang Bedagai Regency and making purchases of a lunkhead. (Alham & Anzhita, 2024)

Several previous research findings by Ariani & Utomo, (2017) and Syahza, (2019) stated that the weak competitiveness of SMEs in Indonesia was attributed to various issues, including (1) Marketing, (2) Capital and financing, (3) Innovation and utilization of information technology; (4) Raw material utilization; (5) Production equipment; (6) Labor absorption and empowerment; (7) Business development planning; and (8) Readiness to face external environmental challenges. The contribution and role of SMEs in the national economy are significant; however, the government needs to observe numerous challenges and constraints in competitiveness to compete domestically and globally.

Based on observations conducted by the research team on several dodol business owners, reseracher found that prior to the construction of the Medan-Tebing Tinggi toll road, dodol sales could reach up to twenty kilograms per day, with a price of Rp 40,000 per kilogram. However, the government inaugurated the Medan-Tebing Tinggi toll road, dodol business owners could only sell a maximum of three kilograms of dodol per day. According to the research team's investigation, thirty dodol business owners closed their businesses. The construction of the toll road has led to a decrease in private and public transportation passing through the Perbaungan Pasar Bengkel area, resulting in a drastic decline in revenue.

Both internal and external factors influence the strengthening of the Perbaungan Dodol business.

Therefore, it is necessary to examine how to enhance the Perbaungan dodol business through effective Product Marketing Strategies to increase product value and sales volume and generate income for SMEs. This statement aligns with the opinion of Bouwman et al., (2019) that strategy is a way to achieve long-term goals. Business strategies involve geographical opportunities, diversification, product development, and marketing. This research activity aims to develop a strategy for SME development based on competitiveness, aiming to provide a solution from the government to manage the dodol SMEs in Perbaungan that face the impact of infrastructure construction.

Research on Strengthening the Competitiveness of the Dodol Perbaungan Business After Infrastructure Development in Indonesia still needs to be improved. Research gap in this study are as follows:

1. Lack of research that focuses on the impact of infrastructure development on the competitiveness of the Perbaungan dodol business. Many studies focus on aspects of infrastructure development itself, but few examine its impact on the competitiveness of the Perbaungan dodol business.
2. Lack of research that examines the factors that influence the competitiveness of the Perbaungan dodol business. Apart from infrastructure, many other factors can influence the competitiveness of the Perbaungan Dodol business, such as product quality, marketing strategy, and access to markets.
3. Lack of research comparing the competitiveness of the Perbaungan dodol business with other regions. Research like this can help to identify the advantages and weaknesses of the Perbaungan Dodol business compared to other areas.

This research aims to: 1) formulate strategies that can be implemented to increase the competitiveness of the Perbaungan Dodol business. 2) provide recommendations to the government regarding the role that can be played in increasing the competitiveness of the Perbaungan dodol SMEs .

2. Literature Review

2.1 Small, and Medium Enterprises (SMEs)

According to the definition provided by the Indonesian government, micro, small, and medium enterprises (SMEs) in Indonesia are independent businesses that do not operate as branches of larger companies. These enterprises are categorized based on specific criteria. In 2018, data from the Ministry of Cooperatives and Small and Medium Enterprises revealed that there were 64.19 million SMEs in Indonesia, employing 117 million workers, which accounted for 97% of total labor absorption. SMEs contributed 61.07% of Indonesia's GDP, with a non-oil and gas export contribution of 15.8% and an investment value contribution of 58.18% (Kilay et al., 2022).

The criteria for categorizing SMEs in Indonesia are as follows: micro enterprises have a maximum of IDR 50 million in assets and a turnover of IDR 300 million; small enterprises have assets ranging from IDR 50 million to IDR 500 million and a turnover of IDR 300 million to IDR 2.5 billion; medium enterprises have assets ranging from IDR 500 million to IDR 10 billion and a turnover ranging from IDR 2.5 billion to IDR 50 billion

The SME sector in Indonesia generally has the following characteristics: The business activities could be more well-organized, as the emergence of business units does not use available facilities/institutions (Tambunan, T., 2005; Tambunan et al., 2018). They need to have business permits, business activities need to be more regular regarding location and working hours, and generally, government policies to assist the economically disadvantaged do not reach this sector. SMEs in Indonesia are still confronted with various obstacles that hinder their business activities. These obstacles include marketing difficulties, financial

limitations, limited qualified human resources, raw material issues, limited technology, lack of supporting infrastructure, and low government commitment. Competitiveness can be created or enhanced by implementing appropriate competitive strategies, one of which is the effective and efficient management of resources (Pascucci et al., 2016). In addition, determining the right strategy should be aligned with all activities of the company's functions, resulting in the desired performance and value creation. Every company, especially SMEs, competes to be at the forefront in the era of competition. Therefore, each SME is expected to be highly competitive and to start improving itself. The capabilities of their human resources characterize SMEs with high competitiveness, the knowledge they possess, and good business management (Brata, 2009; Tambunan, T., 2005)

Furthermore, according to (Rahmana, 2009) SMEs need to utilize information technology (IT) to enhance their competitiveness, considering that the competitive arena has become more competitive and global in this era of globalization. One strategy to enhance SMEs' competitiveness is through IT utilization. By leveraging IT, SMEs will be encouraged to access export and other business opportunities. Previous research findings indicate that the weak competitiveness of SMEs is caused by several problems they face. According to a study conducted by Kumar et al., (2012); Loufrani-Fedida & Aldebert, (2021)Wijanarko & Susila, (2016), some of the problems faced by SMEs include (1) Marketing, (2) Capital and financing; (3) Innovation and the utilization of information technology; (4) Raw material usage; (5) Production equipment; (6) Labor absorption and empowerment; (7) Business development plans; and (8) Readiness to face external environmental challenges.

2.2 The Resource-Based View

A strategic management concept, the Resource-Based View, contends that a company's distinct combination of resources and competencies determines its performance and competitive advantage. The RBV framework holds particular relevance in small and medium-sized enterprises (SMEs) due to their often-reduced resource allocation compared to larger firms (Kim, 2003). To effectively compete in the market, SMEs must recognize and capitalize on their particular resources. SMEs need to identify their critical resources, including tangible assets like physical infrastructure, financial capital, and technology, as well as intangible assets like human capital, brand reputation, relationships with customers or suppliers, and intellectual property (Demartini, M. C., & Beretta, 2020)

Applying the Resource-Based View (RBV) to capacity building involves leveraging and enhancing the firm's internal resources and capabilities to strengthen its competitive position and achieve sustainable growth and principles. Capacity building in SMEs involves leveraging internal resources and investing in critical capabilities (Madhani, 2014). Capacity building is an activity aimed at enhancing the abilities of individuals, groups, organizations, or systems to achieve better performance (Sudaryanto & Wijayanti, 2014). It involves the development of skills and competencies, such as leadership, organizational management, financial management, fundraising, and program and evaluation, to build effective and sustainable organizations (Brown et al., 2011),It can be defined as assisting individuals or groups in identifying problems and enhancing insights, knowledge, and experiences needed for positive change (Goldberg & Bryant, 2012). In the context of organizations, capacity building can be implemented through various forms of technical assistance, including education and training, specific technical support, and network strengthening. According to Brown et al., (2011); Campobasso & D, (2001); Millen, (2006), the principle that needs to be applied in capacity building is to strengthen the empowerment of the community's economy through the development of capacities in institutional, funding, and service areas.

3. Methodology

This research aims to develop a strategy to strengthen the small and medium-sized enterprises

(SMEs) involved in dodol production in Perbaungan, enabling them to adapt to the impact of infrastructure construction. Primary data was obtained through a survey method, which consisted of interviews with informants and distributing questionnaires to respondents. Identifying question components regarding Strengths, Weaknesses, Opportunities, and Threats was obtained through Focus Group Discussions (FGDs) involving relevant departments such as the North Sumatra Cooperative and Small Business Agency, dodol Small and Medium Enterprises (SMEs), and entrepreneurship experts. The questionnaires were given to SMEs as research respondents. Data collection was conducted face-to-face, allowing the research team to obtain complete responses from respondents and prevent data loss. In the data collection process, the research team ensures the confidentiality of respondents' identities and that there is no coercion during the interview and questionnaire filling process. Secondary data consisted of information on the development of SMEs from various sources. The research respondents were forty-one dodol SMEs in the village of Bengkel Perbaungan who met the research criteria, including a minimum age of twenty years, a minimum education level of high school, and at least five years of managing dodol businesses. This research utilized a descriptive method. Descriptive analysis was conducted using Frequency Tabulation and graphs to provide an overview of the issues faced by SMEs in the Perbaungan. A SWOT analysis then followed the findings from the descriptive analysis

4. Result and Discussion

4.1 Psychographic Profile of Respondents

The research respondents are dodol business owners and sellers in the Perbaungan area. The total number of respondents is forty-one individuals with profiles, as shown in the following table:

Table 1. Respondent’s Profile

| Gender | | (%) |
|----------------------------|----|-----|
| Male | 6 | 14 |
| Female | 35 | 86 |
| Age | | |
| 20 to 30 years old | 39 | 95 |
| 31 to 40 years old | 2 | 5 |
| Education | | |
| Senior High School | 40 | 97 |
| Bachelor’s Degress | 1 | 3 |
| Business Experience | | |
| < 5 years | 13 | 31 |
| 5 s/d 10 years | 19 | 61 |
| >10 years | 9 | 8 |

Source : Primary data, 2023

Most respondents are female, accounting for 86% of the total sample. In terms of age, the age range of 20 to 30 years old accounts for 95% of the overall sample. Most respondents are successors of the dodol business inherited from their parents. Ninety-seven percent have a high school education, as it is believed that completing high school is sufficient to continue the production and sale of dodol. Most respondents have been running their businesses for 5 to 10 years, which is reasonable considering that most of the respondents in this study fall within the age range of 20 to 30.

Table 2. Impact of Toll Road Construction on Dodol Perbaungan SME Revenue

| Annual Revenue before Government Constructs Toll Road (%) | | (%) |
|---|----|-----|
| 0 s/d 19 million rupiah | 7 | 17 |
| 20 s/d 39 million rupiah | 9 | 21 |
| 40 s/d 59 million rupiah | 21 | 51 |
| 60 s/d 79 million rupiah | 4 | 11 |
| Revenue Decrease after Toll Road Construction (%) | | |
| < 10 | 16 | 39 |
| 10 s/d 20 | 22 | 53 |
| > 20 | 3 | 8 |

Source : Primary data, 2023

The construction of the Medan-Tebing Tinggi toll road has impacted the decline in revenue for Dodol Perbaungan entrepreneurs. This statement is explained in the table above, where before the toll road construction, fifty-one per cent of the respondents could generate annual revenue of 40 to 59 million rupiahs, excluding sales of other food products besides dodol. After the completion of the toll road construction, there was a significant impact on the development of the dodol business, namely a decrease in revenue of 10 to 20% experienced by the majority of respondents, reaching fifty-three per cent. The toll road construction has led to a reduction in private and public transportation to visit the Dodol centre, resulting in a drastic decrease in revenue

4.2 Analysis of IFAS and EFAS Matrix IFAS Matrix

Internal Factors refer to the strengths and weaknesses in the position of Dodol Perbaungan's business. The ranking and weighting of these factors are determined based on observations, interviews, and the distribution of questionnaires to the respondents..

Table 3.. IFAS Matriks

| Internal factor-strength | Total | Weighted | Rating | Score |
|---|------------|--------------|--------|--------------|
| 1. Dodol has various flavors. | 111 | 0,099 | 3 | |
| | | | | 0,297 |
| 2. The production process is hygienic and does not use preservatives | 119 | 0,107 | 3 | |
| | | | | 0,321 |
| 3. Dodol raw materials are easily obtained. | 113 | 0,102 | 3 | |
| | | | | 0,306 |
| 4. Dodol SMEs have a skilled and experienced workforce in dodol production. | 112 | 0,100 | 3 | |
| | | | | 0,3 |
| 5. Affordable price | 114 | 0,103 | 3 | |
| | | | | 0,309 |
| Total Internal Strengths | 569 | 0,511 | | 1,533 |
| External factor-Weakness | Total | Weighted | Rating | Score |
| 1. Dodol packaging could be more attractive | 110 | 0,099 | 3 | |
| | | | | 0,297 |
| 2. The production technology is simple. | 115 | 0,104 | 3 | |
| | | | | 0,312 |
| 3. The product is short-lasting. | 103 | 0,093 | 3 | |
| | | | | 0,279 |

| | | | | |
|---|------------|--------------|---|--------------|
| 4. Need more maximum promotional efforts. | 106 | 0,095 | 3 | 0,285 |
| 5. Not all dodol producers have production permits. | 108 | 0,097 | 3 | 0,291 |
| Total External Weakness | 542 | 0,489 | | 1,464 |
| Total Internal Factors | 1111 | 1,00 | | |

Source : Primary data, 2023

The IFAS table shows that the total strength is 1.533, more significant than the fundamental weaknesses, which amount to 1.464. These results mean that the strengths possessed in the position of strengthening Dodol Perbaungan SMEs can overcome the existing weaknesses. Several strengths are taste, price, ease of obtaining raw materials, skilled workforce, and affordable selling price, which are the advantages of Dodol Perbaungan SMEs. The most substantial factor is the production of dodol without preservatives, with a score of 0.321. Consumption safety makes Dodol Perbaungan products a favourite souvenir in the region. In addition to being healthy, price is the second most vital factor. Dodol is affordable, with small packages sold for eight thousand to fifteen thousand rupiahs. Therefore, visitors can buy typical souvenirs from Perbaungan without extra funds. The most significant weakness is the production technology, which is 0.312. Stirring dodol takes a long time, around six to eight hours. The moving process is done manually without tools and continuously, making it inefficient in terms of time and consuming a lot of fuel, such as gas and wood. The moving process is crucial as it determines the quality of the dodol and is the most exhausting part of dodol production. Another factor is the simple and unattractive packaging of Dodol, using only transparent plastic, which makes Dodol Perbaungan less appealing and unique in the market.

Based on these conditions, the government can assist dodol producers with production technology assistance, such as stirring equipment, so that the SME owners can carry out production processes efficiently and save fuel. Dodol Perbaungan SMEs should also pay attention to attracting customer interest by improving product packaging and utilizing digital marketing through social media accounts or e-commerce platforms rather than solely relying on direct store purchases. Product expansion strategies such as developing flavour variations of dodol or creating derivative products, along with product innovation, can address the weaknesses faced by dodol producers while also potentially expanding the target market.

EFAS Matrix

The analysis of external factors consists of opportunities and threats faced in the strategy to strengthen Dodol Perbaungan's business. The summary of the calculation of external factors is presented in the following EFAS matrix:

Table 4. EFAS Matrix

| External Factor-opportunity | Total | Weight | Rating | Score |
|---|-------|--------|--------|-------|
| 1. Dodol Perbaungan SMEs can market their products online through social media platforms (WhatsApp, Instagram, and Facebook) and e-commerce platforms (Shopee, Tokopedia) | 106 | 0,114 | 3 | 0,342 |
| 2. UKM dodol has a loyal customer base. | 116 | 0,125 | 3 | 0,375 |

| | | | | |
|--|--------------|---------------|---------------|--------------|
| 3. The community is already familiar with Dodol Perbaungan as a distinctive characteristic of the Serdang Bedagai Regency. | 120 | 0,129 | 3 | 0,387 |
| 4. Serdang Bedagai Regency is one of the tourist destinations in North Sumatra. | 118 | 0,127 | 3 | 0,381 |
| Total External Opportunitiy | 460 | 0,495 | | 1,485 |
| External Factor-Threat | Total | Weight | Rating | Score |
| 1. Decrease in purchasing power of the community due to inflation | 119 | 0,128 | 3 | 0,384 |
| 2. The presence of numerous competitors selling souvenirs in the Dodol Perbaungan center | 120 | 0,129 | 3 | 0,387 |
| 3. Construction of toll roads. | 125 | 0,134 | 3 | 0,402 |
| 4. Need for more attention and support from the government towards Dodol Perbaungan SMEs | 106 | 0,114 | 3 | 0,342 |
| Total External Threat | 470 | 0,505 | | 1,515 |
| Total External Factors | 930 | 1,00 | | |

Source : Primary data, 2023

The data above shows that the threat factor score of 1.515 exceeds the opportunity factor score of 1.485. This data indicates that the threat factor is at a concerning level. The government and Dodol Perbaungan SMEs must be able to manage opportunities to overcome threats that reduce the presence of the Dodol Perbaungan centre. The most vital hindrance factor is the Medan-Tebing Tinggi toll road construction, with a score of 0.402. While the toll road facilitates transportation on the Trans-Sumatra route, especially for national logistics, it also poses a significant threat to the local souvenir centre in Perbaungan. The road is no longer a strategic route for Trans-Sumatra, drastically decreasing visits to the Dodol Centre. The second most vital threat factor is the competition among dodol sellers along the Trans-Sumatra route at KM 43-44. The most vital opportunity factor is that Dodol Perbaungan has become a distinctive characteristic of the Serdang Bedagai region, with a score of 0.387. The next most vital opportunity factor is that Serdang Bedagai is one of the tourist destinations in North Sumatra. Therefore, if there are many tourists, it will affect visits to the Dodol Perbaungan centre. The local government and SMEs must maximize these opportunities to minimize the threat to the existence of Dodol Perbaungan SMEs. This recommendation can be made by improving the quality of marketing content for dodol products on social media accounts and e-commerce platforms, providing extra services to loyal customers, and selling dodol at various tourist locations. By leveraging the available opportunities, business owners can overcome their current threats.

Internal External Matrix

After completing the weighting calculation for each internal and external factor, the next step is to use the position matrix. This matrix assesses the strategic position of strengthening Dodol Perbaungan's business.

The internal-external matrix is created after analyzing the IFAS and EFAS. Based on the coordinates, the business strengthening strategy for SMEs is located at the following Cartesian coordinates:

1. Total strength score = 1.76
2. Total weakness score = 0.89
3. Total opportunity score = 1.49
4. Total threat score = 1.52

The coordinate formulation on the diagram is as follows:

$$\frac{S-W}{2}; \frac{O-T}{2}$$

Based on the calculations above, the coordinate point is 0.44; -0.015. According to the calculation, the coordinate point on the internal and external matrix is 0.44; -0.02, positioned in quadrant II as illustrated below:

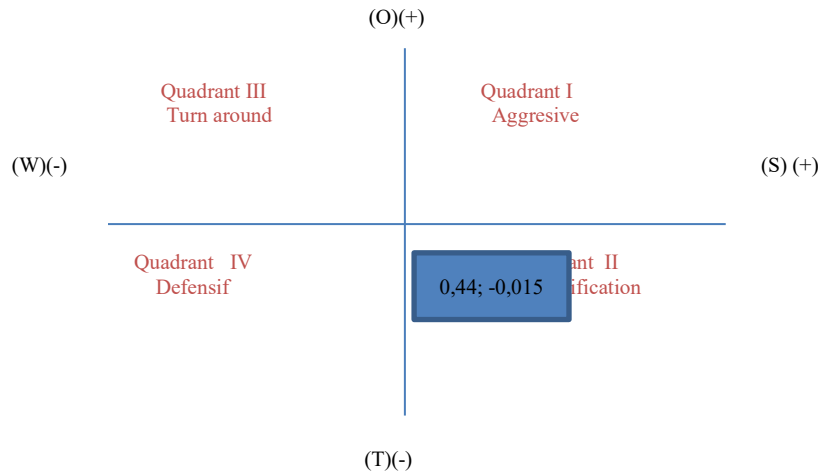


Figure 1. Dodol Perbaungan Business Strengthening Position Matrix

The data shows that diversification is the primary strategy for strengthening Dodol Perbaungan's business. According to Fred R, (2006), a diversification strategy involves adding new products or services, whether relevant or not, to existing products or services. A diversification strategy is implemented to anticipate the significant threats or obstacles in strengthening Dodol Perbaungan SMEs. The diversification strategy itself can involve adding new products or services that are either relevant to the existing products (concentric diversification), unrelated to the existing products (conglomerate diversification), or unrelated to the current customer base (horizontal diversification). Entrepreneurs can choose a combination of these diversification types based on their business needs.

The next step is to prioritize the strategies. The formulated strategy alternatives for strengthening Dodol Perbaungan's business include Strength Opportunities (SO), Strength Threats (ST), Weakness Opportunities (WO), and Weakness Threats (WT). The following table contains the formulation and prioritization of these strategies:

Table 5. Prioritization of SWOT Strategies for Strengthening Dodol Perbaungan Business

| Strategy | Formula | Score | Priority |
|----------|--|-------|----------|
| SO | Total Strength score + Total Opportunities score | 3,25 | II |
| WO | Total Weakness score + Total Opportunities | 2,38 | IV |
| ST | Total Strength score + Total Threats score | 3,28 | I |

| | | | |
|----|--|------|-----|
| WT | Total Weakness score + Total Threats score | 2,41 | III |
|----|--|------|-----|

Source : Primary data, 2023

4.3 Strengthening Small and Medium Enterprises (SMEs) Dodol Business Strategy

The weight assessment and scoring conducted on the IFAS and EFAS tables show that the highest score for the ST strategy is 3.28. The ST strategy is defined as a strategy that maximizes strengths to overcome threats/barriers. The ST strategy refers to the primary strategy, which is diversification strategy, meaning a strategy to develop new products or services that are different from the existing dodol products. Maintaining good quality products increases the demand for dodol. In this case, dodol producers must take several steps, namely: first, maintain quality; second, use good ingredients; and third, give a distinctive taste that comes from brown sugar without using preservatives. These results can help the dodol business reduce risks associated with dependence on a single product or market. The alternative ST strategies are as follows: Product Expansion: Developing flavor variations of dodol or creating derivative products to attract customer interest (Micieta et al., 2020) such as chocolate, durian, or dodol, with added natural ingredients that appeal to customers. The risks associated with implementing this strategy include incurring costs for product development trials and the risk that consumers may not like the product variations, thereby reducing profits. Additionally, dodol producers must ensure consistent sourcing of raw materials if the market accepts the product. On the other hand, the opportunities or benefits of product variations include addressing market boredom with Dodol products and potentially expanding into new market segments. With product expansion, dodol entrepreneurs can reduce their reliance on sales of a single type of dodol.

1. Market Expansion: Exploring new markets within or outside the existing geographical area (Bello et al., 2004). For example, they expand into international markets or access online markets through e-commerce platforms. The risk of market expansion relying on e-commerce lies in the need for capabilities from dodol entrepreneurs in managing online buying and selling, such as logistics, packaging, handling complaints, and cyber attacks. The most tangible market expansion opportunity is the nationwide broad consumer coverage, increasing entrepreneurs' insights into utilizing information technology in marketing products.
2. Partnerships with major retailers (Purnamasari, 2020) to distribute dodol. The risk of this strategy is the dependence of dodol entrepreneurs on retailers, who often negotiate to lower prices, potentially reducing profitability. The benefit of this partnership is that retailers help reach customers outside the area more efficiently than selling independently outside the area. Additionally, collaborating with retailers can enhance the brand value of dodol.
3. Brand Development: Building a solid brand (Chang et al., 2021; Gunawan & Aldianto, 2013) for dodol and its derivative products. For example, it offers attractive packaging, focuses on product quality, or builds a unique brand identity. The benefit of brand development is that dodol entrepreneurs can provide unique product characteristics compared to competitor products, making it easier for consumers to remember. The risk is that if there are issues related to the brand, it can negatively impact the established brand image.
4. Diversification into Related Industries: Expanding the business by entering related industries, such as snacks, traditional cakes, or other food products that align with the values and skills possessed by the dodol business (Bashir & Yuliana, 2019). The risks and benefits of this strategy are similar to the product expansion strategy, namely the presence of additional costs in product testing and the unknown competencies of dodol entrepreneurs.
5. Customer Service and Experience: Focusing on excellent customer service, offering unique services such as fast delivery, gift packaging, or loyalty programs to enhance customer satisfaction and differentiate Perbaungan dodol from competitors (Bashir & Yuliana, 2019; Viktoria Rampl et al., 2012).

5. Conclusion

This study provides valuable insights into the strategies for strengthening the Perbaungan Dodol Center business amidst the impact of infrastructure construction in Indonesia. The findings suggest that the dodol SMEs face significant challenges from the construction of the Medan-Tebing Tinggi Toll Road, which has led to a decline in sales and revenue. However, the SMEs also have several strengths, such as product quality, customer loyalty, and regional branding, that can be leveraged to overcome these challenges.

The dodol business strategy is to maintain high-quality products to increase demand and maintain affordable prices for customers to retain old customers and add new customers. To address the impact of infrastructure development on the Perbaungan dodol centre, a primary strategy of diversifying dodol products is necessary. Several alternative strategies can be implemented, including product expansion, market expansion, partnerships or collaborations, brand development, product innovation, and customer service. For owners of dodol SMEs, it is essential to effectively manage their strengths to overcome the dominant threats and reduce sales turnover. The relationship between business owners and dodol employees runs well; employees are diligent, and the manufacturing process is easy and manual. Before implementing a diversification strategy, market research must understand potential customer preferences, analyze competitors, and consider available resources. Thorough planning and effective execution are crucial in successfully carrying out the diversification strategy for the dodol business.

This research has limitations regarding the small sample size and being confined to the Perbaungan area. A study with a broader geographic spectrum is highly needed to gain a comprehensive understanding of revitalizing the overlooked traditional culinary tourism sector in Indonesia amidst infrastructure development. The limitations in sample size and geographic scope render the research recommendations not widely generalizable across Indonesia but limited to the Perbaungan area only.

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