

### IMPROVING PRODUCTION EFFICIENCY AND MARKET COMPETITIVENESS OF TRADITIONAL FOOD PRODUCTS: THE CASE OF KUE BANGKIT AND DODOL IN BATUBARA, INDONESIA

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#### Abstract

This study examines the impact of interventions aimed at improving the production efficiency and market competitiveness of traditional food products, particularly Kue Bangkit and Dodol, produced by "UD. Risa" in Batubara, Indonesia. The interventions included providing modern production equipment such as a santan (coconut milk) extractor and a dough mixer. The study shows that these interventions significantly reduced production time, improved product appeal, and increased market competitiveness, potentially opening up opportunities for local and international expansion. This study contributes to the body of knowledge on rural SME development, specifically in food production, and supports sustainable economic growth in rural areas.

#### Keyword : Batubara, Kue Bangkit, Dodol, Tradisional Food, Market Competitiveness

#### **INTRODUCTION**

Small and Medium Enterprises (SMEs) are crucial to Indonesia's economic development, accounting for a large portion of GDP (61.1%), employment (97.1%), and export activities (14.4%). In the rural regions of Indonesia, traditional food products such as Kue Bangkit and Dodol play a significant role in local economies. Kue Bangkit, a traditional Malay biscuit made from sago flour, is commonly produced in various regions, including Riau, Sumatra, and Batubara. Similarly, Dodol, a sticky confection made from coconut milk and glutinous rice, is a popular local product. Despite the potential of these products to contribute to economic growth, SMEs like "UD. Risa" face numerous challenges, including limited access to modern production equipment, inefficient processes, and basic packaging, all of which limit their competitiveness in both local and international markets. Addressing these challenges could help SMEs like "UD. Risa" expand their market reach and improve profitability.

#### METHODS

#### 1. Study Design

This study employed a participatory action research (PAR) approach, involving continuous engagement with the SME, "UD. Risa," located in Batubara, Indonesia. The study was conducted over a six-month period, from April to September 2024. The research team provided two key interventions:

1. The provision of a coconut milk extractor and dough mixer to speed up production, and

2. The development of new, attractive packaging designs to enhance product visibility and appeal in the market.

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### 2. Participants and Data Collection

The primary participants in this study were the owners and workers of "UD. Risa," a small-scale producer of Kue Bangkit and Dodol. Data was collected through direct observation of production processes before and after the interventions, as well as structured interviews with the business owners and employees. Additionally, feedback on the new packaging designs was collected through surveys conducted with local consumers and retailers. A sensory marketing expert from Universiti Teknologi Mara (UiTM) Penang was also engaged to provide insights into consumer preferences for product flavors and packaging.

#### 3. Interventions

Modern Production Tools : The research team provided a santan extractor and a dough mixer. The santan extractor was designed to automate the process of extracting coconut milk, which was previously done manually. The dough mixer allowed for faster and more efficient mixing of ingredients, particularly for Kue Bangkit.

#### **RESULTS AND DISCUSSION**

#### **Improvement in Production Efficiency**

The introduction of the santan extractor and dough mixer significantly improved the production process at "UD. Risa." Before the intervention, it took approximately 30 minutes to manually extract coconut milk for Dodol production. After introducing the extractor, this time was reduced by 83,3%, with the process now taking only 5 minutes. Similarly, the dough mixer drastically reduced the manual labor involved in mixing ingredients for Kue Bangkit, which previously took several hours.

These improvements in production efficiency have allowed "UD. Risa" to increase its output capacity from 800 kg/month to 1,200 kg/month, enabling the business to meet higher consumer demand, particularly during peak seasons such as religious festivals (e.g., Eid and Imlek).



#### **Potential for Product Diversification and Export**

The sensory marketing analysis conducted by the expert from UiTM Penang Dr. Suria Sulaiman revealed interesting insights regarding consumer preferences. The traditional flavors of Kue Bangkit, though popular in rural Batubara, may not appeal to broader markets. The introduction of new flavors, such as cheese and chocolate, was suggested as a strategy to diversify the product line and attract younger



consumers. Additionally, the new packaging has made it easier for "UD. Risa" to consider expanding its market beyond Batubara, with potential export opportunities to neighboring countries such as Malaysia and Singapore, where demand for traditional Malay products remains strong.



Figure 2. Socialization of equipment usage and sensory marketing

#### CONCLUSION

This study demonstrates the significant impact that modern production tools and improved packaging can have on small-scale food producers like "UD. Risa." By reducing production time and enhancing product appeal, the business has not only increased its output but also improved its market competitiveness. The findings suggest that with continued support and further product diversification, "UD. Risa" can expand its market reach both locally and internationally. The interventions align with Indonesia's broader goals of supporting SMEs and promoting economic growth in rural areas. Further research could explore the long-term sustainability of these interventions and their broader impact on the local economy.

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