

Business Strategy SME Wingko Loe Lan Ing After Pandemic in Lamongan, East Java Indonesia

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Abstract

SME Wingko Loe Lan Ing is a typical souvenir food establishment, or Wingko, located in the Babat District. The research's goal is to identify, analyze, and build a new business model for SMEs, such as Loe Lan Ing, to compete using the Business Model Canvas (BMC) and SWOT analysis. This research is required to assess Wingko Loe Lan Ing SME's business position using SWOT analysis and then develop it using the Business Model Canvas. According to the study's findings, Loe Lan Ing SMEs are in quadrant one, or an aggressive expansion plan, and have an alternative strategy for the new Business Model Canvas (BMC) proposal, which includes eight pieces for offering a new approach, such as the segment customer block there need to be additional consumers from outside the region, adding value to increase consumer trust and adding flavor variants, adding channels such as marketplaces on LAZADA and Bukalapak, dropship sales systems, catering and events businesses, adding key partners such as event organizers and food bloggers, main activity optimization with technology, main resources for website creation and the addition of silica gel to packaging, revenue streams that get additional income from the sale of production waste and event organizers, and the cost structure that requires spending for endorsements to food bloggers.

Keywords: *Business Strategy, SMEs, Wingko Loe Lan Ing*

INTRODUCTION

Wingko tripe is a snack food in the form of a round plate with the main ingredients coconut, glutinous rice flour, and sugar so that it has a sweet taste and legit texture. This snack food is a typical snack originating from Batat District, Lamongan Regency which has existed since the time of the ancestors. Over time, wingko specialties spread in various areas in Lamongan and also Semarang. According to Yaskun et al., (2019) To maintain this typical snack food, people in Lamongan Regency carry out their economic activities by opening a wingko tripe industrial business. One of the wingko industries in Babat District, Lamongan Regency that is quite well known by the public is the wingko company "Loe Lan Ing". The Loe Lan Ing (LLI) tripe wingko industry was the pioneer of the first company to sell tripe wingko food and is still produced today. This LLI wingko tripe company has been established since 1898 (Novi, 2020), there is no doubt that people outside the Lamongan area recognize wingko LLI for a long time and make wingko LLI as a souvenir center for typical Lamongan regional food.

Responding to the COVID-19 pandemic that has hit the world today, has an impact on the economic sector, among them is in Indonesia (Narto & HM, 2020). Various industrial sectors have also felt business congestion after pandemic, including the wingko industry Small and Medium Enterprises (SMEs) in Babat sub-district have experienced the impact of declining

sales levels in recent years. Seeing the condition of the wingko tripe industry SMEs that have decreased their sales levels, it is necessary to have a strategy and plan in maintaining their business to increase the production and sales of wingko tripe (Kurniawan, 2021).

In addition to experiencing a decline in sales due to the impact of the Covid-19 pandemic, currently, there have also been many Tripe wingko industries that have grown rapidly, this has led to an increase in the number of wingko industry competitors in Batat District, Lamongan Regency. Problems due to declining sales levels due to the Covid-19 pandemic and increasing business competition in a company need to carry out performance improvement activities in its company (Hanafi et al., 2023; Maria, 2021) Efforts made so that wingko production continues to increase are by conducting research activities on the development strategy of the wingko industry as a superior distinctive product belonging to Lamongan Regency (Yaskun et al., 2019). Data from the Lamongan Regency Industry and Trade Office in 2019 states that there are 12 tripe wingko producers in Lamongan Regency (Prastika, 2019).

The right solution to facing these problems is that the LLI tripe wingko industry requires strategic steps to develop its business. This needs to be done to seize opportunities so that the company's goals can be achieved, and so that the existence of the Babat wingko industry as a superior product of Lamongan Regency continues to grow rapidly (Marini et al., 2019). Analysis of the strategy used in developing the Tripe wingko industry uses Business Model Canvas (BMC) and SWOT analysis (Fitriani et al., 2020). The strategy used by the LLI tripe wingko industry in facing several wingko industry competitions in Lamongan Regency is by analyzing the internal and external conditions owned by the Tripe LLI wingko industry, this is done to be more targeted in the development of the industry (R. R. Fahmi & Hayati, 2020). This study aims to (1) Identify business models in the "Loe Lan Ing" SME wingko industry using Business Model Canvas (BMC); (2) Analyze internal factors and external factors of the 9 business model blocks using SWOT; (3) Develop new strategy proposals using the Business Model Canvas (BMC) to face the post-COVID-19 pandemic era and wingko industry competitors (Sinaga et al., 2020).

THEORETICAL FRAMEWORK

Strategy is an action that is always improving and is done based on thinking about what customers expect in the future. Strategies can emerge starting from what can happen to the speed of new market innovation and changes in consumer patterns that require core competencies so that companies are expected to be able to look for core competencies in the business carried out (Husein Umar, 2002). Strategic management is a plan that has been managed and prepared by considering several sides that have the aim of influencing the plan so that it can have a positive influence on the company or organization in the long term (I. Fahmi, 2017).

Business development can be said to be the creation of value in the long run provided to the market and consumers related to tasks and processes in analytical preparation for potential opportunities and implementation processes. The basis for making decisions on the development of a business is very necessary for a business developer and strategy to support the decision process (Nafisah & Hayati, 2022; Setiawan & Rahmi, 2023). The company can grow and develop superiorly in the market if the company can allocate several financial and non-financial resources it has.

The application of the Business Model Canvas (BMC) model describes a business model that shares an overview of the basis of thought about how a company or organization can

create, deliver, and capture the value of a particular business model (Alexander, 2012). According to (Toro-Jarrín et al., 2016), this canvas business model can be broken down by forming nine basic building blocks that can then show how to think about how a company can make a profit. The nine basic building blocks can be said to be good if they cover four main areas in a business, including customers, supply, infrastructure, and financial viability. The nine basic building blocks include:

- a. Customer segments, describe a group of different people or organizations that the company wants to serve or reach.
- b. Value Propositions, describe the mix of services and products that create value for a specific consumer segment.
- c. Channels describe a company that can communicate with its consumer segments and can serve to deliver a value proposition.
- d. Customer Relationships describes the type of relationship he wants to build with several consumer segments.
- e. Revenue Streams describe the amount of cash generated by the company from each consumer segment (costs must subtract revenue to generate revenue)
- f. Key Resources explain the most important assets needed by a company for a business model to function properly.
- g. Key Activities describes the important aspects that must be carried out by the company for its business model to work.
- h. Key Partnerships describe the network of suppliers and partners that make the business model work.
- i. Cost Structure describes all costs incurred to operate the business model.

Using the Business Model Canvas (BMC) aims to describe the business model that has been applied by the company, then formulate or formulate the right business development strategy so that it can be applied by the company in carrying out business development in the long term (Priska et al., 2015). In addition, a suitable Business Model Canvas (BMC) can build the right strategic advantage and will add a lot of value to a company (Moshood et al., 2022).

SWOT analysis can be said to be the process of systematically identifying several factors to formulate a company strategy that can be done by maximizing strengths (strengths), and opportunities (opportunities), as well as minimizing weaknesses (weaknesses), and threats (threats) owned by a company (Ulvy Tri, 2020). In the application of SWOT analysis, the process of determining the formulation of a company's strategy can be done by starting to determine the weight and rating. Determining weights can be formulated based on the influence of strengths or weaknesses that aim to achieve the vision and mission of a company (Utsalina & Primandari, 2020). SWOT analysis has great benefits for those who are conducting analytical activities in the business field both objectively and comprehensively. This needs to be done to avoid weaknesses and threats and match strengths and opportunities to optimize business potential to get great benefits (Longhurst et al., 2020).

Previous research on development strategies using SWOT analysis includes R. R. Fahmi & Hayati (2020) shows that internal and external factors were found that the company's position is included in quadrant 1, namely business actors are in a very advantageous position where they have strengths and opportunities that can be utilized and applied to support aggressive growth policies (Growth-oriented strategy). Then on research by Fitriani (2020), it can be seen that the position of IFE and EFE matrix scores is quite high, so it is included in the category of growth and building strategies, so there are several appropriate alternatives for this business

position which are formulated into the industrial development plan through the business model canvas that maps 9 component blocks in improving business.

RESEARCH METHODE

This research was conducted at Wingko Loe Lan Ing SME located in Batat District, Lamongan Regency. The selection of the research site was carried out purposively based on the consideration that the business is one of the oldest and largest wingko industries in Batat District. The wingko industry has been established since the early 1898s and produces tripe specialties which are now known by the wider community outside Lamongan Regency. This research was conducted in February 2022 until it was completed.

The samples used in this study were owners, workers of Wingko Loe Lan Ing SMEs, and 30 consumers of Wingko Loe Lan Ing SMEs. The numbers used in this study are supported by opinions Sugiyono (2015) who states that the sample size feasible in the study is between 30 to 500 and supported opinions which states that a sample size of 30 is considered by many to be the minimum number of cases if researchers plan to use some form of statistical analysis on their data and suggest that one can start from the minimum number of cases required in each study. Key informant used in this study was the owner of the Wingko Loe Lan Ing SME which was determined intentionally (purposive sampling) selected with specific considerations and objectives (Sugiyono, 2015) namely on the basis that the owner of the Wingko Loe Lan Ing SME who has knowledge and information about wingko as well as knows the current state of the industry, the main informant, namely purposive sampling, was selected by considering several things including limited access, and supporting informants, namely 30 consumers of Wingko Loe Lan Ing SMEs determined by chance (incidental sampling) who had information about the previous wingko has been obtained from the owner of the industry. The type of data used in this study is in the form of primary and secondary data. Primary data came from interviews, questionnaire filling results and documentation. While secondary data comes from literature and previous research journals (Temesgen et al., 2018).

This research was conducted using a descriptive approach and strategic formulation using Business Model Canvas (BMC) analysis and SWOT analysis, as for the steps are as follows:

1. Business Model Canvas (BMC) analysis, is used to determine the situation and condition of the business model currently applied to Wingko Loe Lan Ing SMEs so that making complicated business models will become more practical and simple so that they are easy to understand for alternative strategies from the company (Osterwalder et al., 2015);(Fahmi & Hayati, 2020). According to Sinaga et al. (2020), there are 9 block elements contained in the business model canvas, namely customer segment, value proposition, channel, customer relationship, revenue stream, key resources, key activity, key partnership, and cost structure.
2. SWOT analysis, used to determine the factors that become strengths, weaknesses, opportunities, and threats from the 9 elements of the business model in Wingko Loe Lan Ing SMEs in the first step, is then processed into the IFAS and EFAS matrix (Utsalina & Primandari, 2020).
3. Develop a new business model plan by refining the strategy that has been prepared by taking into account the SWOT analysis that has been done previously to get recommendations for new strategy alternatives (R. R. Fahmi & Hayati, 2020).

RESULTS AND DISCUSSION

Identify the Business Conditions of Wingko Loe and Ing's SME Model Now

The results of this identification were carried out to collect and group the Wingko Loe Lan Ing SME business model into nine elements or blocks of the business model canvas (BMC) applied by the company today which are explained as follows:

Customer Segments

Customer segments or customer segmentation is a group of different people or organizations that the company wants to serve or reach. Wingko Loe Lan Ing SMEs do not target consumer segmentation based on gender, occupation, education level, income, or economic level. However, marketing to consumers is based on the age level of young people to adults who have an age range between 17 years to 60 years. The sample of consumers obtained at Wingko Loe Lan Ing SME is male at 40% and female at 60% with different levels of recent education including elementary school at 3%, junior high school at 3%, high school at 50%, diploma at 10% and undergraduate at 34%.

Based on regional origin, consumers reached by Loe Lan Ing SMEs do not only come from the babat sub-district area but from areas outside the city such as Surabaya, Jakarta, and outside Java. Then Loe Lan Ing SMEs describe that the area that suits the target consumers is an area that is crowded with people and has a great opportunity to run this wingko business.

According to the business actor, namely the owner of the Wingko Loe Lan Ing SME, it is stated that the difference in consumer segmentation towards wingko purchases before the pandemic, during the pandemic, and after the pandemic now does not show any significant differences and influences, meaning that all consumer segmentation circles remain / unchanged.

Value Propositions

Value Proposition or consumer valuation propositions describe the combination of the benefits of a product and the services offered by a company to consumers. In the production process at Loe Lan Ing SMEs, some have used advanced technology machines and some still use manual/traditional techniques so that they can produce wingko products that can provide benefits to consumers as Value Propositions, namely high quality, sweetness, and right density, available in various sizes and flavor variants, product packaging is guaranteed safe, The durability period of the product is appropriate and does not use preservatives in its products. SME Loe Lan Ing promises that its products have high quality and are different from other wingko as evidenced by the differences in raw materials and how they are processed. Value Propositions provide convenience to consumers such as telling information about wingko products sold through social media. This is evidenced by information about various flavors of wingko products available such as Original, Chocolate, Cheese, Pandan, Durian, Jackfruit, Tiramisu, and Taro flavors. In addition, there is also information about wingko products that are sold in 3 kinds of sizes, including small, medium, and large sizes. Consumer samples obtained at Wingko Loe Lan Ing SMEs suggest that the types of wingko products produced have the appropriate wingko price level of 44%, the appropriate flavor variant of 60%, the appropriate size of 47%, the sweetness and density of 67%, the guaranteed safe packaging of 70%, and the durability of the product according to 57%.

Loe Lan Ing SMEs provide information about the advantages of their products compared to other competing products, which is done directly through photos or videos uploaded on

social media, and also evidenced by the quality of wingko taste that has been consumed directly by consumers. The services, as well as efforts offered by the company for consumer satisfaction, are by providing online shop services to reach consumers who are outside the city / the island and also adding flavor variants so that consumers are more interested in trying and buying them. There is a level of price difference given by the company to consumers and merchants/resellers, wingko products are sold at the consumer level for small sizes priced at IDR 45,000 (contents of 10 pcs), medium sizes priced at IDR 25,000, and large sizes priced at IDR 60,000, while wingko products sold at the merchant/reseller level for small sizes are priced at IDR 42,000 (contents of 10 pcs), medium size price Rp 22,000, and large size price Rp 57,000. The resale system of wingko products carried out by Wingko Loe Lan Ing SME traders/resellers does not set HET (Highest Retail Price), it returns the decision to the reseller. The continuous increase in raw material prices and product prices will affect the scarcity of wingko raw materials and also affect the decline in sales levels carried out by wingko Loe Lan Ing companies.

According to the business actor, the owner of the Wingko Loe Lan Ing SME, said that there were differences during the pandemic, and after the current pandemic, the company made changes by adding wingko flavor variants. While reviewed based on price, the product has the same/fixed level on all conditions.

Channels

Marketing channels are media or means used by companies in the product sales process. The way of selling Loe Lan Ing SMEs in marketing their products is by selling directly and indirectly. Direct sales are carried out through stores/outlets with the ready stock method that provides products directly at the store place and there are also sales through social media / online such as Instagram, Tiktok, Whatsapp, Facebook, Shopee, and Tokopedia with the made to order method that applies a product manufacturing system by consumer orders, then the product will be sent according to the consumer's address and guarantees the product is safe during the shipping process. The majority of wingko purchases through direct sales are made directly into the hands of consumers but there are also several resellers. While indirect sales are made through merchants or resellers, most of which come from gift shops. This wingko company sets rules in the product ordering system carried out by resellers, namely ordering with a minimum amount of 20 boxes in one order. Consumers who purchase wingko products online on social media are directly consumed by themselves and some act as merchants/resellers. The marketing destination of wingko products is usually sent to the city of Surabaya, Jakarta, outside the city, and the island. Wingko Loe Lan Ing SME provides a guarantee for every product purchased by consumers by returning products or discounts and replacing new products if the products received by consumers are damaged or not by demand. The company will provide a warranty on wingko products for a maximum of 3 days starting from the first day of purchase as evidenced by the purchase receipt and also photos of products that are damaged or that are not by consumer demand.

According to the business actor, the owner of the Wingko Loe Lan Ing SME, said that before the pandemic, the wingko product marketing channel used to run well, then during the pandemic the product marketing channel had obstacles due to the effects of PPKM (Enforcement of Community Activity Restrictions) and limited socializing so that few consumers carried out activities outside the home and made wingko purchases at the Loe Lan Ing wingko store, So that the company develops by selling through online/social media. At this

time after the current pandemic, wingko's product marketing channels are slowly starting to improve again in terms of direct and indirect sales.

Customer Relationships

Customer Relationships or relationships with consumers describe various types of good relationships created by companies with consumers. Having a good relationship with consumers is one of the keys to the success of a company, for that Loe Lan Ing SMEs need to have a strategy for building good relationships with consumers. The way done by Wingko Loe Lan Ing SMEs in maintaining good relationship loyalty with consumers is to do totality in providing good, friendly, polite service, improving product quality in terms of taste or packaging, providing various sizes and flavor variants, providing promotions or discounts, providing safe and comfortable facilities so that consumers who make wingko purchases at Loe Lan Ing SMEs feel satisfied and do not disappoint. In addition, the company also maintains good communication and family relations with coconut middlemen and other partners. Consumer samples obtained at Wingko Loe Lan Ing SMEs stated that the services provided by Loe Lan Ing stores by 73%, the facilities provided by the store were very comfortable and clean 70%, and felt interested in the promotions offered 40%. Loe Lan Ing SMEs build a good relationship with consumers by doing all the requests desired by consumers and ensuring that their wingko products have better quality than those of competing wingko products. Furthermore, the company also provides customer complaint services or customer service while providing solutions and compensation for products if consumers feel disadvantaged, namely by providing customer service with a maximum time limit of 3 days from the first day of purchasing wingko products as evidenced by the purchase receipt, then the company will be responsible and immediately replace it if the product purchased is not by consumer demand.

According to the business actor, namely the owner of the Wingko Loe Lan Ing SME, stated that before the pandemic, during the pandemic, and after the current pandemic, in maintaining loyalty and good relations with consumers, the company still provides the best and maximum service for consumers. In addition, Loe Lan Ing SMEs also carry out all requests desired by consumers so that consumers of our wingko products feel satisfied and will make repeat purchases or repeat orders at Loe Lan Ing stores.

Revenue Streams

Revenue Streams or revenue streams are a source of company income obtained from consumers. In general, a company gets a revenue stream from different sources from other companies, but the majority of companies get this income from buying and selling products from their production. The income of a business or company can be sourced from the results of working with other business people and can be sourced from side businesses that have been done. This is also applied by Wingko Loe Lan Ing SMEs which not only produce and sell wingko products, but also produce yarn products, banana sales, and mongso honey. In addition, the products sold in collaboration with other business people are tempeh chips, intestinal chips, snail chips, nastar cakes, madiun typical brem, tripe gait, ledre bananas, and cold drinks. The revenue of Loe and Ing SMEs from the average sales of all products is IDR 160,000,000 per month and the average net income is around IDR 105,000,000 for production activities in one month. The budget for each production for the purchase of raw materials and operational costs is Rp 1,800,000 and the system is used for new business development costs,

employee salaries, and equipment depreciation costs. The budget for operational costs is also flexible. Wingko waste such as coconut shells and coconut water is not sold so production waste cannot be said to be another source of company revenue, this is because coconut shell waste is used as fuel to oven wingko in traditional furnaces, and coconut water waste is used as an additional ingredient in making wingko product dough. It can be concluded that the level of company expenditure in production activities is minimal because the process of opening wingko products using coconut shell waste does not use gas fuel.

The business actor, namely the owner of the Wingko Loe Lan Ing SME, said that there was a difference in the number of sales of wingko products, of course, during the pandemic which experienced a significant decrease due to the effects of the pandemic, namely there were PPKM rules and limitations in socializing. However, after the current pandemic, the sales level of wingko products has returned to normal and exceeds the sales level before the pandemic.

Key Resources

Key resources or main resources describe the company's capital or important assets needed by the company so that its business can run well. The main resources commonly needed by companies consist of human, physical, financial, and intellectual resources. Technological resources, and facilities for production and operation are coconut shredding machines, glutinous rice grinding machines, and large digital scales, among others. Based on human resources, the recruitment process of workers employed at Wingko Loe Lan Ing SMEs can be said to be still simple because it is carried out in a familial manner and there are no special requirements during the registration process. Currently, the number of workers in the company is 20 people with the status of permanent workers. At certain times such as before Eid al-Fitr companies will usually recruit additional workers with an unspecified number, this is because it depends on the amount of demand for wingko products from consumers. Human resource management contained in Loe Lan Ing SMEs can be said to have been structured because there is already a division of labor from each workforce, the division of labor includes the preparation of raw materials, the field of production, the field of packaging, cashiers, and financial managers. Some employees work with a shift system, namely in the cashier field, as for the division of working hours of cashier employees who get a morning shift from 07.00 WIB to 14.00 WIB and a day shift from 14.00 WIB to 22.00 WIB. The salary system provided by the company for workers in all fields in a month is IDR 1,000,000 if it is estimated that a day's salary is around IDR 33,000 and gets 1 meal ration.

Based on the physical resources needed by Wingko Loe Lan Ing SME in the form of raw materials (coconuts) ordered from coconut middlemen around the tripe district, with a minimum order of 100 coconuts and no maximum limit. Furthermore, physical sources in the form of additional ingredients include glutinous rice flour, sugar, butter, fruit flavoring, and coconut water which are ordered according to company needs and will then be delivered by suppliers. Then the physical source is in the form of a production site or building. The equipment used during production consists of large wooden table, spatula/dough mixer, large basin, machete knife, and pan mold, then there are also sophisticated machines such as coconut grate machines, glutinous rice grinding machines, and digital scales, and equipment for other production activities. From a financial point of view, in building this Wingko Loe Lan Ing SME business, capital is the main source of everything. According to the explanation from the owner of this business, the capital was obtained from the savings of ancestors or previous

people who first established this wingko product business, namely Loe Lan Ing, then this business developed and declined until now.

The business actor, namely the owner of the Wingko Loe Lan Ing SME, stated that there were changes that occurred during the pandemic, namely the company reduced the quantity of wingko production in one production because at that time the level of wingko sales also decreased so that the company reduced the level of production quantity. At the time after the pandemic, the company has now returned to normalizing the quantity level of wingko production as before the pandemic, then the number of workers has also increased. The salary given by the company to the workforce is the same/fixed amount in any situation.

Key Activities

Key activities or key activities are the main key to company activities related to productivity from production to marketing so that the business can run well. The main activities carried out by Wingko Loe Lan Ing SMEs consist of production activities including preparation of raw materials, processing processes, mixing raw materials and additives, printing wingko dough into pan molds, baking / oven into traditional stoves, wingko packaging, and wingko marketing where some products are placed in shop windows, then some products will be distributed to the addresses of consumers who place orders online. This research is in line with Sholikhah (2013) said that the wingko product marketing system in Loe Lan Ing SMEs is sold in stores that are one with the wingko production factory. Most consumers will buy this Loe Lan Ing wingko directly from the store because it is used as a snack food typical of Batat District.

The process of production activities begins with the purchase of raw materials and additives from middlemen and suppliers. The purchase of raw materials (coconuts) by middlemen is done by ordering once a week with the amount of 300 coconuts, then the middleman will send the order amount to the production site. One coconut order from middlemen has been used for 4 to 5 wingko productions in one week, and each production produces an average of 40 large wingko, 40 medium wingko, and 60 small wingko boxes (20 small wingko boxes of 10 contents and 20 small wingko boxes of 20 contents). The process of purchasing additional ingredients such as glutinous rice, sugar, and others is also carried out by ordering from suppliers with uncertain quantities and times, then they will be delivered to the production site. The process continues to process starts from stripping coconuts, shredding coconuts, grinding glutinous rice, and preparing the dose as dough adjusted to the desired production capacity. Then all raw materials and additives are mixed and stirred until evenly distributed. The next process goes to the stage of printing wingko dough that has been stirred into a pan with the available size, then the wingko will be ovened on a traditional stove for 2 times until the cooking is evenly distributed. The next process goes to the stage of printing wingko dough that has been stirred into a pan with the available size, then wingko will be ovened on a traditional stove for 2 times until even ripening. The last process is the packaging of mature wingko into packaging according to its size, then wingko is ready to be marketed and distributed to consumers through stores and online orders. If wingko products do not sell well and are stale, they will be thrown away, but wingko products will last up to 5 days and can last up to 1 month more if stored in the refrigerator. Constraints occur when the price of raw materials and additives is unstable, the company will purchase raw materials and additional materials on a large scale, then will store them in the storage room/warehouse.

According to the business actor, the owner of the Wingko Loe Lan Ing SME, said that the difference only occurred during the pandemic, namely wingko production activities became more minimal. After all, the quantity of wingko Loe Lan Ing production also decreased because the majority of consumers did not leave the house and did not buy wingko at the Loe Lan Ing store.

Key Partnerships

Key partnerships or main partnerships are company cooperation activities with other partners to meet the company's production needs. The main partners or partners of Wingko Loe Lan Ing SMEs include coconut middlemen, suppliers of additives, and packaging production companies for a product. Wingko Loe Lan Ing SME product distribution and marketing partners include souvenir shops and supermarkets in the cities of Semarang, Malang, and Surabaya. The requirements for the sales system applied by the company to wholesalers or resellers are only a minimum purchase, there is no contract period with the reseller. The cooperation system with coconut middlemen is carried out by agreeing at the beginning of the contract, coconut middlemen must be able to meet the criteria and also the demand for the number of coconuts the company needs. The usual criteria needed by the company are medium-aged coconuts that are not too old and then large-sized, the company's request for each order amounts to 300 coconuts. The way the company builds good relationships with middlemen or other business partners is by still trusting the performance of suppliers who have met the company's requests and also the company expects feedback from middlemen or suppliers, namely by providing the best quality of materials needed by the company.

The business actor, namely the owner of the Wingko Loe Lan Ing SME, stated that there were changes that occurred during the pandemic, namely the demand for our raw materials and additives to suppliers has decreased, but in the post-pandemic period, the company has now normalized the amount of demand for raw materials and additives in middlemen and suppliers.

Cost Structure

Cost structure or cost structure is all costs incurred by the company aimed at operating the entire business budget run by the company. The expenses made by Wingko Loe Lan Ing SMEs are in the form of fixed costs, variable costs, depreciation costs, new business development costs, and employee salary costs. While the costs for maintenance in the physical form include the cost of paying building taxes, electricity costs, and maintenance costs of machines used in the production process. Capital for production every day uses capital from the income from the sale of wingko products yesterday. This system has always been applied by the owner of Loe Lan Ing Factory.

According to the business actor, the owner of the Wingko Loe Lan Ing SME, said that there were changes that occurred during the pandemic, namely our financial management experienced a decrease in the level of expenditure and also experienced a decrease in the level of income.

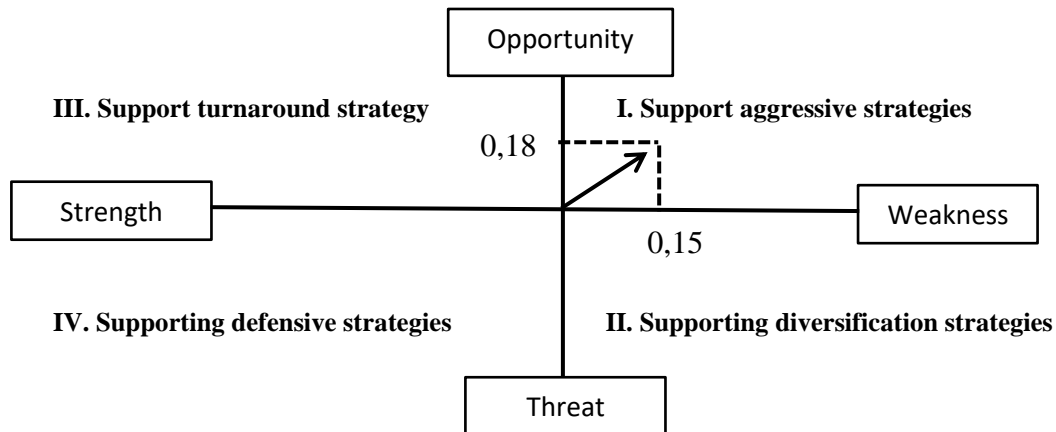


Figure 1. Diagram SWOT Analysis
Source : Primary Data Processed, 2022

SWOT Analysis of Wingko Loe and Ing's SME Business Model

After identifying the elements of the Business Model Canvas, then analyze based on SWOT analysis to identify the strengths, weaknesses, opportunities, and threats experienced by Loe Lan Ing SMEs. The following results of the SWOT analysis diagram obtained based on the formulation and weighting of the IFAS EFAS Loe Lan Ing SME matrix can be seen in Table 2 and Table 3.

The SWOT analysis diagram obtained based on the results of the IFAS matrix of 0.157 and EFAS matrix of 0.187 shows the company's position in Loe Lan Ing SMEs in Quadrant I of the aggressive strategy (Growth-oriented strategy). Where this position the company has strengths and opportunities that can be utilized. The recommended strategy is by combining the strengths and opportunities that exist as well as possible and carrying out several strategies, namely: 1) Improve product quality by adding contemporary flavors such as red velvet, matcha, and coffee. It is included in the BMC in the value propositions block. 2) Utilizing information technology to expand channels and maximize key activities such as the creation of the official website of Loe Lan Ing SMEs. This is included in the BMC in the key resources block. 3) Expanding the network of product marketing channels such as adding marketplaces in bukalapak and lazada and selling with the dropship system. It is included in the BMC in the channels block.

Designing a Proposed New Business Model Canvas for Wingko Loe and Ing SMEs

After developing an alternative strategy from the results of the SWOT diagram, then make improvements to the Business Model Canvas (BMC) model. The final step is to organize into nine existing blocks so that new business model improvements will be obtained as shown in the following figure:

Key Partnerships: 1. Coconut middleman 2. Supplier of additives 3. Packaging production companies 4. Supermarkets and traders/resellers 5. Event organizers/groups of organizations 6. Influencers and foodbloggers	Key Activities: 1. Purchase of raw materials 2. Wingko production process 3. Wingko production process 4. Wingko production process 5. Marketing through offline and online 6. Marketing through offline and online 7. Distribution 8. Optimization of activities using owned technology	Value Proposition: 1. There are various variants of wingko flavors (jackfruit, durian, taro, tiramisu, etc.) 2. Has 3 kinds of product sizes (small, medium, and large) 3. No preservatives Wingko quality 4. Proper sweetness and density 5. Have a business license 6. Attend training to get certified 7. Add flavors: red velvet, matcha, and coffee	Customer Relationships: 1. Give discounts on certain days 2. Store facilities are very comfortable and clean 3. Customer service 4. Provide friendly, kind, and cheap service	Customer Segments: 1. All occupations and all genders with an age range of 17 years – 50 years old 2. Income and economic conditions of consumers with lower, middle, and upper class 3. Consumers are located throughout Indonesia. 4. Tourists from outside the area
	Key Resources: 1. Facilities for factories, stores, tools, and production machines 2. Human Resource 3. Raw materials and some additional materials 4. Product packaging plus silica gel 5. Making the official website of Loe Lan Ing SME		Channels: 1. Through direct consumers and merchants/resellers 2. Through supermarkets 3. Online sales (shopee, tokopedia, instagram, and tiktok) 4. Marketing destination cities are Surabaya, Jakarta, and outside Java 5. Catering business, exhibitions / events 6. Adding marketplaces (lazada and bukalapak) 7. Sales of dropship systems	
Cost Structure: 1. Variable costs (purchase of coconuts, additives, product packaging, electricity costs, labor wages, building taxes) 2. Fixed costs (buildings, machinery used in production) 3. Endorsement fees to influencers and food bloggers		Revenue Streams: 1. Sales of wingko products 2. Sales of other souvenir foods, yarn, sale bananas, honey mongso, tempeh chips, etc. 3. Sales of waste production materials 4. Exhibition revenue, event organizers, and catering businesses		

Figure 2. Wingko Loe Lan Ing's SME Canvas Business Model Improvement
 Source : Primary Data Processed, 2022

Customer Segments

Consumer segmentation in Loe Lan Ing SMEs is currently all occupations, all genders with an age range of 17 years – 50 years, income conditions, and consumer economy with the lower, middle, and upper classes. Consumer segmentation that has been formed is maintained and there is a development of customer segmentation such as tourists from outside the area who will buy typical souvenir foods, namely wingko products.

Value Propositions

The proportion of the assessment of Loe Lan Ing SME wingko products is that there are various variants of wingko flavors, have 3 kinds of product sizes (small, medium, and large),

do not use preservatives, wingko quality with the right level of sweetness and density, and have a business license. It is necessary to add contemporary flavor variants to wingko such as red velvet, matcha, and coffee, then attend training to get a certificate, so that the assessment of the level of consumer trust in wingko loe lan ing increases.

Channels

Wingko's current product marketing channels are through direct consumers, merchants/resellers, and supermarkets. The channel can be done by making online sales (shopee, tokopedia, instagram, etc.). The channels that have been formed are still being developed, one of which is through the addition of marketplaces in bukalapak and lazada, selling with a drop ship system, and optimizing the catering business, events, or exhibitions to make it easier to get information about Loe Lan Ing's SME wingko products.

Customer Relationships

Good relationships with consumers carried out by Loe Lan Ing SMEs include providing discounts on certain days and amounts, store facilities provided are very comfortable and clean, customer service, and availability of friendly, kind, and cheap smile service. Good relationships that have been established with consumers do not need additions, it's just that they must be maintained and more focused in order to streamline the business system.

Revenue Streams

The source of income obtained by Loe Lan Ing SMEs comes from the sale of wingko, and the sale of other souvenir foods such as yarn, mongso honey, banana sale. This can add income through exhibitions / events, catering businesses, and sales of production waste.

Key resources

The main resources of Loe Lan Ing SMEs include factory facilities, stores, production tools and machinery, human resources, raw materials, and high-quality additives. In this block, each wingko product packaging can be added with silica gel to increase the durability of the product and the creation of an official business website so that consumers can easily get information.

Key activities

The main activities carried out by Wingko Loe Lan Ing SMEs start with purchasing raw materials, then the wingko production process, marketing offline and online, and the last process is distribution. Companies can make improvements by optimizing the main activities carried out using their advanced technology

Key partnerships

The main partners found in Wingko Loe Lan Ing SMEs include coconut middlemen, additive suppliers, wingko packaging production companies, supermarkets, and traders/resellers. There needs to be an addition in increasing partners such as event organizers or organizational groups, influencers, and food bloggers. This is done to expand the reach of marketing so that it is better known to many consumers.

Cost structure

The cost structure incurred by Loe Lan Ing SMEs includes variable costs (purchase of coconuts, additives, product packaging, electricity costs, labor wages, building taxes), and fixed costs (buildings, machinery used in production). In addition, there needs to be additional costs, namely for endorsement costs to influencers and food bloggers.

CONCLUSION

Business model analysis at Wingko Loe Lan Ing SMEs produces a picture of nine elements of the business model canvas (BMC) which shows the current form of business model in monotony so it is necessary to identify and create new business models using business model canvas (BMC) and SWOT analysis. A SWOT analysis that has been carried out by each element or block of the current business model canvas, found internal and external factors obtained that the company's position is included in quadrant 1, namely business actors are in a very advantageous position where they have strengths and opportunities that can be utilized and applied to support aggressive growth policies (Growth-oriented strategy). Alternatives that can be used to improve and add to Loe Lan Ing's SME business model while maintaining the current customer relationship to remain focused on developing its business. Additions are made to customer segments, namely new customer segmentation (tourists from outside the region), channels added to the marketplace in Lazada and Bukalapak, dropship system sales, catering businesses and exhibitions/events, key partners need cooperation with event organizers, influencers and food bloggers, key activities from optimizing activities by utilizing technology, product packaging plus silica gel, and making official websites on key resources, Value proposition needs a certificate to increase consumer trust and add flavor variants, revenue streams and cost structures to increase production waste income, event organizer income, catering businesses, and endorsement costs to influencers and food bloggers.

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Business Strategy SME Wingko Loe Lan Ing After Pandemic in Lamongan, Indonesia

	Strength (S)	Weight	Ratings	Score
	<i>Customer segments</i>			
	Consumer segmentation that has met specifications	0.037	5	0.185
	<i>Value Propositions</i>			
	Price, flavor variants, and quality are by consumer wishes	0.039	3	0.117
	<i>Channels</i>			
	Product marketing channels are very effective and efficient	0.040	3	0.120
	<i>Customer Relationships</i>			
	Establish good relationships with consumers	0.047	4	0.188
	<i>Revenue Streams</i>			
	Revenue is derived from large margins	0.041	3	0.123
	<i>Key resources</i>			
	The best quality raw materials and human resources	0.057	5	0.285
	<i>Key activities</i>			
	Efficiently carry out key activities in Loe Lan Ing SMEs	0.047	3	0.141
	<i>Key partnerships</i>			
	Can work and focus optimally with partners	0.051	3	0.153
	<i>Cost structure</i>			
	The costs incurred are predictable	0.053	3	0.159
	Amount	0.412		1.471
	<i>Weakness (W)</i>	<i>Weight</i>	<i>Ratings</i>	<i>Score</i>
	<i>Customer segments</i>			
	Consumer identification of wingko products is not segmented	0.052	1	0.052
	<i>Value Propositions</i>			
	Not maximizing the value of the resulting product	0.056	3	0.168
	<i>Channels</i>			
	Have less than 2 branches of product marketing channels	0.053	3	0.159
	<i>Customer Relationships</i>			
	Relations with consumers are weak	0.058	2	0.116
	<i>Revenue Streams</i>			
	The margin earned by the company is very small	0.074	3	0.222
	<i>Key resources</i>			
	Key resources are easily imitated by competitors	0.068	1	0.068
	<i>Key activities</i>			
	Inefficient and low-quality implementation of the main activity	0.073	3	0.219
	<i>Key partnerships</i>			
	Failing to work and not focusing optimally with partners	0.084	2	0.168
	<i>Cost structure</i>			
	Unable to predict production costs	0.071	2	0.142
	Amount	0.589		1.314
	Total	1		2.785
X	Difference S-W			0.157

Table 1. IFAS SME Matrix Wingko Loe Lang Ing

Source : Primary Data Processed, 2022

	Opportunity (O)	Weight	Ratings	Score
<i>Customer segments</i>				
	Has the opportunity to serve new consumer segmentation	0.036	3	0.108
<i>Value Propositions</i>				
	Improve product valuation by making updates	0.041	3	0.123
<i>Channels</i>				
	Can find marketing channels with new partners	0.043	3	0.129
<i>Customer Relationships</i>				
	Strengthening good relationships with consumers	0.040	4	0.160
<i>Revenue Streams</i>				
	Increase revenue streams by creating new products	0.042	4	0.168
<i>Key resources</i>				
	The main resource is better to get from partners	0.046	4	0.184
<i>Key activities</i>				
	Information technology can improve the efficiency of business activities	0.055	5	0.275
<i>Key partnerships</i>				
	Partners help improve wingko product valuation	0.059	4	0.236
<i>Cost structure</i>				
	Can reduce production costs	0.044	5	0.220
	Amount	0.406		1.603
	Threat (T)	Weight	Ratings	Score
<i>Customer segments</i>				
	Consumers will likely switch to competing products	0.056	4	0.224
<i>Value Propositions</i>				
	Competitors threaten to offer better prices	0.059	2	0.118
<i>Channels</i>				
	Marketing channels are threatened and unsuitable for consumers	0.063	4	0.252
<i>Customer Relationships</i>				
	Relationships with consumers are threatened to deteriorate further	0.055	2	0.110
<i>Revenue Streams</i>				
	Depending on one revenue stream	0.077	2	0.154
<i>Key resources</i>				
	The quality of key resources in the business will be threatened	0.065	3	0.195
<i>Key activities</i>				
	The quality of the main activity in the business will be threatened	0.075	2	0.150
<i>Key partnerships</i>				
	Too dependent on certain partners	0.068	2	0.136
<i>Cost structure</i>				
	Production costs are greater than revenue generation	0.077	1	0.077
	Amount	0.595		1.416
	Total	1		3.019
Y	Difference O-T			0.187

Table 2. EFAS SME Matrix Wingko Loe Lan Ing
 Source : Primary Data Processed, 2022

<p>IFAS</p> <p>EFAS</p>	<p>Strenghts (S)</p> <ol style="list-style-type: none"> 1. Consumer segmentation that has met the specifications 2. Price, flavor variants, and quality are by consumer desires 3. Product marketing channels are very effective and efficient 4. Establish good relationships with consumers 5. Revenue is obtained from large margins 6. The best quality raw materials and human resources 7. Carry out the main activities of Loe Lan Ing SMEs efficiently 8. Can work and focus optimally with partners 9. The costs incurred are predictable 	<p>Weakness (W)</p> <ol style="list-style-type: none"> 1. Consumer identification of wingko products is not segmented 2. Does not maximize the value of the products produced 3. Has less than 2 branches of product marketing channels 4. Relations with consumers are weak 5. The margin obtained is very small 6. Key resources are easily imitated by competitors 7. The implementation of the main activity is inefficient and of low quality 8. Fails to work and does not focus optimally with partners 9. Unable to predict production costs
<p>Opportunity (O)</p> <ol style="list-style-type: none"> 1. Have the opportunity to serve new consumer segmentation 2. Improve product assessment by updating 3. Can find marketing channels with new partners 4. Strengthen good relationships with consumers 5. Increase revenue streams by creating new products 6. Key resources are better obtained from partners 7. Information technology can improve the efficiency of business activities 8. Partners help improve the valuation of wingko products 9. Can reduce production costs 	<ol style="list-style-type: none"> 1. Improve product quality by adding contemporary flavor variants (S2,O2,O8) 2. Utilize information technology to expand channels and maximize key activities (S7,O3,O7) 3. Expand product marketing channel network (S1,S3,O1,O3) 	<ol style="list-style-type: none"> 1. Leverage quality resources from partners to increase product value (W2,O6,O8) 2. Increase revenue by creating new products and adding marketing channels (W3,W5,O3,O5) 3. Open new stores to serve consumers as well as for branch offices (W3,O1)

<p>Threats (T)</p> <ol style="list-style-type: none"> 1. Consumers will likely switch to competing products 2. Competitors threaten to offer better prices 3. Marketing channels are threatened and unsuitable for consumers 4. Relationships with consumers are threatened to deteriorate 5. Depend on one revenue stream 6. The quality of key resources in the business will be threatened 7. The quality of the main activity in the business will be threatened 8. Too dependent on certain partners 9. Production costs are greater than revenue generation 	<ol style="list-style-type: none"> 1. Maintain and improve product quality so that consumers do not switch to competing products (S2, S6, T1) 2. Improve good relationships with partners so that the quality of resources is maintained (S4, S6, T6) 3. Optimize the inventory of raw materials and additional materials in the storage warehouse (S6, S8, T6, T8) 	<ol style="list-style-type: none"> 1. Improve product quality and evaluate production results (W2,W7,T1) 2. Perform good financial management to improve financial problems (W5,W9,O5,O9) 3. Manage the needs of raw materials, human resources to estimate production quantities and selling prices (W6,O2,O6)
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Attachment 1. SWOT Matrix
 Source : Primary Data Processed, 2022