

COMPETITIVE STRATEGIES CRITICAL SUCCESS FACTORS FOR SMALL MEDIUM FOOD AND BEVERAGES IN BOGOR CITY

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ABSTRACT

This observation is to determine the competitive strategy of small and medium food and beverage businesses in Bogor Municipality. The hope of this research is that by knowing the competitive strategy of small food and beverage businesses in the city of Bogor, the community will be able to improve and consider all elements of a competitive strategy. The sample of this research is entrepreneurs in the field of food and beverage small and medium enterprises in the city of Bogor. Sampling was done by simple random sampling, namely small and medium entrepreneurs in the food and beverage sector in the city of Bogor. Data obtained through primary data by distributing questionnaires, measured by Likert scale. Data analysis used descriptive analysis, regression analysis and t-test to test the hypothesis.

The problem in this study is what factors influence the competitive strategy of small and medium food and beverage businesses in the city of Bogor, so it is necessary to analyze the critical success factors for competitive strategies, including: 1. Marketing (pemasaran), 2. Support (pendukung), 3. Organization (organisasi) of food and beverage SMEs in Bogor City. The purpose of this study is to determine the factors that influence the competitive strategy of food and beverage SMEs in the city of Bogor, it is also useful for the development of the next strategy with higher quality products and to be able to survive and compete in the business world.

Key words: Competitive strategy, Critical Success Factor, Marketing, Support, Organization

INTRODUCTION

At this time the corona pandemic will soon pass, so as individuals it is necessary to change the paradigm which during a pandemic is like being confined in a closed place towards changes that one day can change according to sudden conditions. Change can suddenly reach a low point until it reaches a high point and can turn into a down again. The world of economics is always going up and down business.

In strategic management, we will encounter changes in the development of science and technology. In order to maintain the current unfavorable situation, in the economic sector in our country, there have been changes in the business climate, especially in increasing small and medium enterprises (SMEs) in our country. Credit did not grow even the number decreased a lot. But cooperatives and SMEs are able to save the Indonesian economy so as to encourage Indonesia's economic growth. Therefore, the cooperative and SME sector continues to be a concern of the government so that in the future it will become the basis for the development of the Indonesian economy. The role of cooperatives and SMEs in Indonesia in Indonesia's economic development includes the absorption of workers, especially informal ones. Recently, the President of the Republic of Indonesia rebuked his subordinates to use and utilize SME products to be spent as consumption for departments or government offices.

In recent times, many cooperative businesses and small and medium enterprises have failed in their business. This is a big obstacle for the development of SMEs in this country, especially the city of Bogor. On average, significant changes occurred both in the environment within the SME company, and the environment outside the SME company. From within the SME's internal environment, including human resources, the quality of workers, and the SME's external environment such as Ideology, Politics, Economy, Social, Culture, Defense and Security. If the company pays less attention to these factors, it will result in SMEs closing. SMEs need to pay attention to several things in carrying out their business. Because management, in managerial economics as a person who makes decisions, must have good strategies for the future to advance to compete with other SMEs that are advanced locally, nationally, internationally, and even abroad.

The constraints of SMEs in general are capital management, marketing management, business licenses, quality of technology, information, disciplinary problems, hygiene, and so on. The implementation of strategic management in the small and medium business environment within the Small and Medium Enterprises or SMEs can be observed through a variety of existing problems.

The strategic management that originally grew forward in corporate companies has now been widely applied to organizational forms, including SMEs. The extent of strategic management is not only development, but strategic management is indeed needed in every organization, be it government companies, private companies, large, small, profit and non-profit companies. However, it should be noted that strategic management carried out in the corporate business world to SMEs has similarities and differences. The similarities and differences are due to the character of the organization and also the history of its organizational development.

Marketing is a problem that often occurs in the food and beverage SMEs business of Bogor City, during our visit to the office based on the report of the head of the Bogor City Cooperatives and SMEs Office, one of the biggest obstacles is the marketing of products produced by Bogor City Food and Beverage SMEs, so that the owners of SMEs in the food and beverage sector in the city of Bogor are less successful in marketing their products. The focus of marketing observations is the Marketing Mix which consists of 4Ps, namely: Product, Price, Promotion, and Place. In marketing, if you are not successful in selling your product, you need to advertise or promote to introduce your product, you also need to hold buy one get one free events, but without compromising the quality of the product.

Support is professional company management support by understanding SWOT analysis, Strengths, Weaknesses, Opportunities, Threats, so as to find out the strengths, weaknesses, opportunities and threats that occur in the competitive strategy of food and beverage SMEs in the city of Bogor. Organization, a supportive organizational climate will affect competitive strategy, so many SMEs need to fix organizational factors even though it is just a small organization. It concerns many people who require developing physically and spiritually healthy. SMEs in the city of Bogor are needed to improve the economic welfare of the surrounding community. The city of Bogor is very famous for its home industries and small industries in the culinary, food and beverage fields. And the most famous is the food and beverage UKM made from Bogor taro, the most unique ingredient in Bogor City. SMEs in the City of Bogor in the culinary, food and beverage fields require a lot of training, especially in the field of Human Resources, such as the Science of Catering, the Science of Compounding Food and Beverages, which are still rare, on average, are vocational school graduates majoring in catering and hospitality, so they are not well known to the general public.

Then the next problem is the problem of competitive strategy which has critical success factor of SMEs, namely: 1. Marketing, 2. Support, 3. Organization, entrepreneurial orientation, marketing problems, business results and promotions. The average production is still well known in the city of Bogor and individual consumers, then the capital is still low, due to the low use of SME loans for investment. Knowledge of Economics, especially Management and Business is also one of the increasing competitiveness of SMEs. So that in Bogor there is one private university, namely Juanda University, Bogor, helping to develop a system for the development of SMEs in the city of Bogor. Other SME problems, namely the problem of raw materials, skills, prices and the amount of production, marketing greatly affects the improvement of the quality of SMEs. Formulation of the problem in influencing the competitive strategy of SME products in the city of Bogor is an important success factor. The purpose of the study was to determine the effect of competitive strategy on the critical success factors of SMEs in Bogor City, namely 1. Marketing, 2. Support, 3. Organization.

THEORETICAL FRAMEWORK

Management in general is the process of planning, organizing, leadership, and monitoring the evaluation of any activities of an organization such as SMEs to achieve the goals that have been set by the organization and the use of the organization's human resources. Strategic management is the art and science of formulating, implementing and evaluating cross-functional strategic decisions that enable an organization to achieve its goals in the future. According to Pearce and Robinson (2013), strategic management can be defined as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve company goals. Strategic management is a way of making decisions and actions for the development of an effective strategy or strategies to achieve company goals. While strategy is also a pattern of resource allocation that allows organizations to improve the quality of human resources and can maintain company performance. Strategy is also defined as a means to achieve company goals, especially for resources that provide a favorable position.

This explanation of the concept of strategy and strategic management is intended to provide a theoretical understanding of what is applied by the company. Whether the use of the term competitive strategy has a specific meaning that is different from other understandings of strategy, or on the contrary, is one of the main purposes to provide an understanding of the concept of strategy and strategic management theoretically.

Basically a strategy can be seen from various perspectives (multidimensional views), whose development substance is based on consideration of the current critical activities of the company or organization as well as trends in changing conditions in the business environment in the future. Thus, a strategy is an effort to develop organizational excellence in a competitive external environment in order to achieve organizational goals or objectives.

Conceptually, the evolution of the development of the concept of strategy has been around for a long time. As quoted by Satyagraha (1993) has suggested that the concept of strategy more than 50 years ago. According to Drucker, the strategy of an organization is the answer to the question "What should be our business? Next, strategic management experts began to formulate a more detailed definition of the concept of strategy. Among them were stated by Ansoff (1965), who saw strategy as a common thread between organizational activities and product market that defines the nature of the business in which the organization is now in the future. Even Hofer and Schendel, cited by Satyagraha (1993) proposed four important components of a strategy. The four components consist of (1) scope, (2) mobilization of resources (resource developments) (3) competitive advantage, and (4)

synergy. Finally in strategy implementation, management's attention includes processes related to planning and allocation of resources, organization structure and design, and managing strategic change. Besides explaining about the basic m model of strategic management, Johnson and Scholes also remind that this strategic management model can be applied in different contexts, depending on the type of business and the nature of the company. The strategic management approach can be different when applied to small businesses, multinational corporations, professional partnerships, the charity sector and the public sector. Or even can differ between approaches applied in manufacturing companies and service companies. Thus, in applying the concept of strategic management, it is very important to pay attention to the flexibility factor, in addition to other factors. This flexibility factor is not only in the sense of "can be applied to different types of business", but what is important is that the concept of strategic management can also be applied by companies in different situations.

This last understanding of the concept of flexibility becomes very important. especially when it is associated with various changes in the business environment that take place so rapidly. Genus (1995) explains that three important factors, namely (1) uncertainty in changes in the macro environment, (2) uncertainty in industry and competition, and (3) the importance of analyzing and developing strategy in organizations, have emerged as major considerations for managers to implementing flexible strategic management. Specifically for developing strategic flexibility, Genus explained that it is imperative for management to pay attention to (1) management central issues and key activities, (2) the level of flexibility of the organization with other organizations, and (3) the level of flexibility between units within the organization.

A good understanding of the concept of strategy and the concept of its formulation will greatly determine the success of the strategy drawn up. In preparing the strategy, the principle must be considered that the activities developed must be better than competitors (distinctive competence) and also superior (competitive advantage).

Critical Succes Factor

In accordance with the mission above, the main functions within the company that are a critical or important part in achieving success (critical success factors) are:

1) Marketing, this section becomes a bridge, as a direct link between the company and its customers. Having a position in the middle between the interests of the company and the customer, which on the one hand must create revenue for the company and on the other hand must also create satisfaction for customers by providing for their needs. It is also important to note here that strategy is applied to SMEs, not only to corporate companies. The focus of marketing observations is the Marketing Mix which consists of 4Ps, namely: Product , Price, Promotion, and Place. Marketing. The extent to which the company can guarantee the products offered to consumers or customers exceed the quality provided by competitors. In the theory of the Marketing Mix, there are 4 important things to focus on, namely Product (Product), Price, Promotion and Place (location). The marketing process is the responsibility of SMEs to develop strategies such as brands, technology, network ties, corporate social traditions and good management practices to customers. So that the value of this strategy is rare, durable, not easily traded and difficult to imitate. So it has a high profit value. This marketing strategy affects a sustainable competitive advantage for an organization with intangible values (cannot be seen directly).

2) Support (supporting capacity), implementers (technicians) who will provide services to customers so that the bridge (business relationship) that has been formed can be carried out according to the expectations of both parties. In this section there is also direct interaction with customers, although the intensity is not too high when compared to the marketing department, and is also closely related to customer satisfaction. If a company has superior resources and capabilities compared to competitors, as long as the company uses a strategy that utilizes these resources and capabilities effectively, the company will have a competitive advantage. Maintaining support a competitive advantage depends on 3 main characteristics, namely: Resources and capabilities/durability/durability, Transferability or can be transferred, Replicability or can be imitated. Meanwhile, the company's ability to profit from competitive advantage depends on the appropriity or the feasibility of the company's profits (Graig and Grant, 1996).

3. Organization, directly has nothing to do with customers, but this organizational factor will greatly support the smooth running of activities and create motivation for marketing and support. In the marketing concept that has developed recently, the organizational system must support services to customers (indirectly). Organizational problems, the third critical factor problem is organizational problems, where the organization consists of 1 or more people with cultural diversity and ways of working so that it affects the development of management strategies in SMEs, most SMEs in Indonesia do not think about organizational sustainability by lack of training or training related to these SMEs, so that workers in the SME sector have less refreshed or less refreshed organizations.

The concept of competitive advantage has been accepted as a powerful tool for companies, for example here SMEs. Competitive advantage is a combination of the company's internal and external capabilities. This concept requires the company's ability to take advantage of opportunities in the market environment (Nangoi, 1997). Competitive strategy is the process by which a company builds and develops strategic resources that have the potential for competitive advantage. Excellence can have multiple meanings, one mission as an instrument to produce performance and the other side as an instrument to produce performance and the other side as an instrument to neutralize assets and competition owned by competitors. The SMEs observed here are food and beverage businesses as well as services for these foods and beverages. Companies must pay attention to competitors continuously, namely by providing services internally to the marketing and support department, which is better known as internal marketing in the concept of the marketing triangle in companies based on the service sector.

The three sections above are taken based on the moment of truth, where as a food and beverage company and service provider, the priority is managing activities properly at the right time. For this reason, marketing and support will be a top priority because their activities are directly related to customers. While the position of the organization is as a means and at the same time a support (motivation) for the formation of a professional service team.

This process is consciously developed over time, essentially becoming a strong root for the achievement and development of competitive advantage. Management in deciding the amount of profit should consider capital resources, production costs that the company must have in order to make a profit or profit. So the company has to survive in the market at a

profit. The company must looking for effective strategies to manage marketing, support and organization.

METHOD

Food and beverage SMEs in Bogor City were selected as many as 47 SMEs, with simple random sampling, primary data sources, competitive strategy being the dependent variable and Marketing, Support/supporting capacity, and Organization being the independent variables. Collecting data with a Likert scale from the level starting: (1) Strongly disagree, (2) Disagree, (3) Neither Agree nor disagree(No idea),(4) Agree, (5) Strongly agree. Data analysis using SPSS. The data is tabulated and processed by performing several tests: (1) Validity Test, (2) Reliability Test, (3) Normality Test, (4) Multicollinearity Test, (5) Heteroscedasticity Test to get the formula whether Linear Regression can be tested. The analysis technique uses descriptive and quantitative analysis. Qualitative data analysis is to describe the findings or responses of respondents to obtain the characteristics of each research variable, calculate the central value (mean, median, mode), the standard deviation value and the coefficient of variation.

Respondent achievement rate (TCR) = Mean/5

90%-100% = Very good

80%-89.99% = Good

65%-79.99% = Fairly good

55%-64.99% = Not good

0% - 54.99% = Not good

Quantitative analysis with regression analysis

Y = Competitive strategy

α = constant

X_1 = Marketing

X_2 = Support

X_3 = Organization

b = regression coefficient

e = standard error

A regression is said to be linear if it meets linearity conditions, such as data normality, free from classical statistical assumptions (Nugroho, 2005). The equation model is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Hypothesis testing with statistics, consisting of: (1). Coefficient of Determination Test (2). Simultaneous test (3) F-test (4) Partial test (5) T-test after performing a count of regression analysis.

DISCUSSION

Respondents are food and beverage SME entrepreneurs in the city of Bogor totaling 54 people. With the age of the majority, 62% over the age of 40 years. Business status as much as 66% are self-owned, employee status as much as 77% are permanent employees. As many as 70% are employees totaling 1 to 5 people. The level of achievement of respondents is 78.6%, planning, production, training system, responsible employees, recruitment system according to skills, creative employees, innovative employees.

Validity Test and Reliability Test

The results of the validity and reliability tests resulted from each indicator showing the results of the loading factor greater than the Kaiser Meyer Olkin or KMO value of 0.60. While Cronbach's alpha for competitive strategy is 0.61, marketing or marketing, 0.77, support or carrying capacity is 0.74, and the work environment is 0.71, all above 0.60, a significance of $0.001 < 0.05$, so the results state that the indicator -indicators to measure the 3 measured factor variables are valid and reliable.

Variable	Indicator	Loading factor	KMO	Cronbach's Alpha
Competitive strategy	Vision, Mission, Goals	0.729-0.822	0.636	0.612
	Arrange implementation	0.620-0.926		
	Monitoring and repair	0.616-0.850		
Marketing	Product	0.829-0.900	0.593	0.733
	Price	0.609-0.808		
	Promotion	0.582-0.827		
	Location/place	0.680-0.819		
support	Finance	0.673-0.868	0.506	0.738
	Human Resources	0.707-0.866		
	Collaborative	0.770-0.923		
organization	Organization and environment	0.756-0.860	0.641	0.714

Table 1. Table of Validity Test and Reliability Test

Normality test

Normality test to see the spread of data variation whether it is parallel to a straight line or there is a normal distribution or not, the method is the non-parametric test One sample Kolmogorov Smirnov test as shown in Table 2 below:

Variable	Alpha	Asymp-sip(2-Tailed)	Description
Y, Competitive strategy	0.05	0.089	Normal

X ₁ , Marketing	0.05	0.060	Normal
X ₂ , Support	0.05	0.121	Normal
X ₃ , Organization	0.05	0.186	Normal

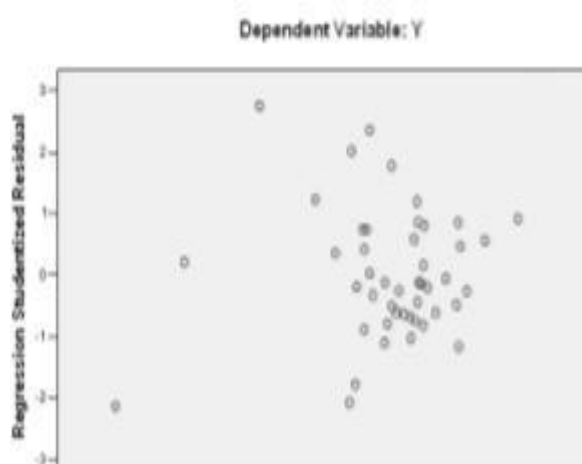
Multicollinearity Test

Multicollinearity test to see the correlation between the independent variables in the regression model. According to Ghazali (2005), the guidelines for a regression model that are free of multicollinearity are variables with a VIF (Variance Influence Factor) value less than 10 and have a tolerance number close to 1. so that the asset strategy, adaptability and price variables have met the Multicollinearistic test. As shown in Table 3 below:

variable	tolerance	VIF	description
Marketing	0.751	1.332	Not multicollinearity
Daya dukung	0.747	1.339	Not multicollinearity
Organisasi	0.994	1.006	Not multicollinearity

Scatterplot . Heteroscedasticity Test

Heteroscedasticity test results



Shown in the figure are points with a spreading pattern, so there is no heteroscedasticity in this regression.

Descriptive Analysis

Based on the answers from respondents to each question, the comparison with the Studentized Delete residual, then the regression value is the homoscedasticity model. Meanwhile, based on the respondent's data, the results are obtained, as shown in Table 4:

Variabel	Indikator	Mean	TCR(%)	description
Strategi Bersaing	Vision, Mission, Goals	3,97	79,40	
	Arrange implementation	2,86	57,2	
	Monitoring and repair	3,83	76,6	
Marketing	Product	3,93	78,60	
	Price	2,58	51,60	
	Promotion	3,95	79,00	
	Place	3,68	73,60	
Support	Finance	4,20	84,00	
	Human Resources	3,91	78,20	
	Colaboratif	3,27	65,40	
Organizing	Organization and environment	3,69	73,8	

The regression equation model shows the relationship between the influence of the independent variable on the dependent variable. According to this analysis, the linearity requirements have been met. The data has met the requirements for normality and is free from classical statistical assumptions because it has tested the normality of the data for multicollinearity and heteroscedasticity with normal results and free from classical assumptions. This regression equation also shows the results of hypothesis testing in the form of statistical t-test or t-test to see the significant effect of the independent variable on the dependent variable partially. Data processing obtains a summary of the test results in Table 5, as follows:

Independent Variable	Regression Coeffisien	t	sig	α	Description
Constanta	0,749	0,115	0,900	0,05	
X ₁	0,310	2,779	0,008	0,05	
X ₂	0,213	1,932	0,060	0,05	
X ₃	0,372	1,602	0,116	0,05	
F	8,0		0,000	0,05	
R Square				0,360	
R ² Adjusted				0,316	

Model Feasibility Test

In order to find out that the independent variables that have been determined are appropriate variables to explain the occurrence of variations in the dependent variable, a model feasibility test is needed, with the F test or ANOVA. F value = * significant $0.00 < 0.05$ so that the variables of marketing, support and organization are variables that are feasible to explain the dependent variable (competitive strategy). So that a regression equation formula is made as follows:

$$Y = 0,749 + 0,310X_1 + 0,213X_2 + 0,372X_3 + e$$

Next is the Hypothesis Test

Hypothesis Testing consists of:

- (1) Coefficient of determination test (R^2 test),
- (2) Simultaneous Test
- (3) F-test
- (4) Partial Test
- (5) Test t-test

After performing the regression and making a regression formula, the hypothesis will be tested:

- 1) The influence of important decision factors for marketing success on competitive strategy, the regression coefficient value is 0.310 with a t-value of 2.779 > a significance value of 0.008 < 0.05,
- 2) Conclusion: Marketing variable has a positive and significant influence on competitive strategy, H_0 is rejected and H_a is accepted. This marketing variable has a positive and significant influence on the competitive strategy of Bogor City SMEs
- 3) The influence of support on competitive strategy, with a regression coefficient value of 0.213 with a t value of 1.932 > from a significance value of 0.06 < 0.05, conclusions: The support variable has a positive but not significant effect on the competitive strategy of SMEs in the city of Bogor,
- 4) The influence of the organization on competitive strategy, with a regression coefficient value of 0.372 and a value of $t = 1.605$ > a significant value of 0.116 > 0.05, the organization has a positive but not significant effect on the competitive strategy of SMEs in the city of Bogor.

Coefficient of Determination

Determination Analysis or R adjusted to find out how much the ability of the independent variable to explain the dependent variable. The value of R^2 is between $0 > R^2 < 1$. The value of R square resulting from the fulfilled variable is 0.360. However, the value of R^2 is not used to analyze the model's ability to explain the dependent variable because of the limitations of the value of R^2 in presenting the actual influence value where the value always increases as the independent variable increases. The value of R-Square Adjusted is 31.6% the dependent variable. Competitive strategy is explained by the independent variables of marketing, support, organization. The rest of the variables are used outside.

According to Nugroho, 2005, the regression model can still be used even though the R Square value of cross data (crosssection) usually has a rather low R^2 (below 0.5).

1. Hypothesis testing resulted in Marketing or marketing having a significant positive effect on the Competitive Strategy of Bogor City SMEs with a t value of 2.779 which is greater than a value of 0.05. If the marketing regression coefficient is 1%, it increases the competitive strategy by 31.6%. The results of the descriptive analysis show that the products that are seen about Bogor UKM food and beverage products that are quality, affordable and not easily imitated have fulfilled the elements of the marketing mix in marketing such as products, prices, promotions and locations that are able to compete.
2. Hypothesis Testing Support or carrying capacity affects the competitive strategy of the city of Bogor 0.213 so that 1% support, the competitive strategy increases by 21%. The t value is 1.932 which is greater than 0.05. The results of the descriptive analysis on the carrying capacity of SMEs are still very lacking such as finance, human resources and collaborative must be willing to share the vision, mission, strengths, resources, goals and finances together.

3. Organizational Hypothesis Testing, has a t-value of 1.605 which is greater than 0.05. If the coefficient, regression is 1%, it will increase the competitive strategy by 37% so that SME organizations are able to compete with all changes.

CONCLUSION

The results of qualitative descriptive analysis using quantitative analysis show that marketing success factors affect the progress and development of competitive strategies through competitive advantage. While support or carrying capacity and organization, the two variables have a positive but not significant effect on the competitive strategy of Bogor City SMEs.

Suggestion here: Needs further improvement regarding the competitive strategy of Critical Success Factor of food and beverage SMEs in the city of Bogor, including the supply of original raw materials, hygiene when processing raw materials into ready-to-use materials, in demand by many people from various circles. Other researchers are expected to develop other variables in an effort to improve the competitive strategy of SMEs in the city of Bogor.

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