

## STRATEGIES FOR INCREASING THE SUPPLY OF INSTANT RED GINGER PRODUCTS BY THE RAJA BAWANG SME

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### Abstract

SMEs are one of the important pillars in driving regional economic growth, including in the city of Palu. One product with high potential is instant red ginger produced by Raja Bawang SMEs. This study aims to formulate a strategy to increase the supply of instant red ginger products through an analysis of internal and external business factors. Primary data was obtained through observation, interviews, and sales report documentation, then analyzed using the SWOT method. The results of the study show that the greatest strength is the availability of quality raw materials and skilled labor, while the main weaknesses lie in limited production capacity, packaging design, and suboptimal promotion. Externally, the most dominant opportunity is the trend of consuming herbal products and the development of digital marketing technology, while the biggest threat comes from competition from similar products and fluctuations in raw material prices. The SWOT mapping places Raja Bawang SME in Quadrant I, which means that an aggressive strategy is the most appropriate choice. Recommended strategies include optimizing production with modern technology, product and packaging innovation, utilizing e-commerce and social media as marketing channels, and strengthening partnership networks. These findings confirm that Raja Bawang MSMEs have great potential to increase the competitiveness of instant red ginger products through the optimal utilization of internal strengths and market opportunities.

**Keywords:** *MSMEs, Instant Red Ginger, Product Offering, SWOT Strategy, Palu City.*

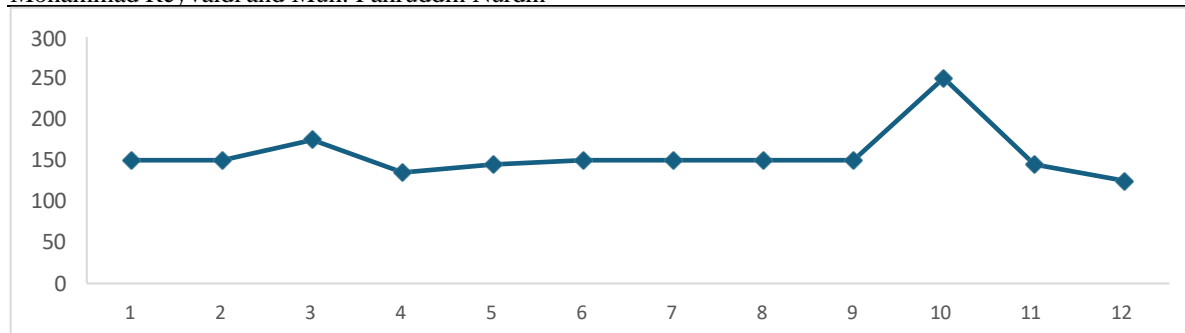
### INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are one of the driving forces of the economy in Palu City. MSMEs play a role in increasing product added value (Tambunan, 2019), providing processed food products, and absorbing labor. In the modern era, processed food products have become one of the main ways to increase added value. From the consumer's perspective, processed products are a practical way to meet daily food needs. This is driven by changes in consumption patterns and lifestyles that are fast-paced and practical but still health-conscious (Suryana & Rachmawati, 2020) or healthy lifestyle trends. People are once again turning to natural resources as a healthy and economically valuable source of instant processed products to meet their current consumption needs. Red ginger is one of the local spices (Prasetyo et al., 2019) that has long been used in Indonesian culture and is now finding new momentum as a base ingredient for healthy beverages favored by all generations. The warm taste and health benefits of red ginger in maintaining stamina make it not just a heritage from ancestors but also a promising business opportunity.

These factors have prompted Raja Bawang SMEs to process red ginger into practical instant products while maintaining their natural quality. This effort not only addresses current consumer needs but also strengthens local identity through value-added products. However, SMEs often face significant challenges, such as expanding product reach, achieving desired market share, and competing healthily amid the flood of similar products. Challenges come not only from external competition but also from within SMEs, such as the use of production technology, fluctuations in raw material prices, promotional effectiveness, limited access to marketing technology, and poor offering strategies. Raja Bawang's instant red ginger product has great potential for growth in terms of raw material availability, consumer segments, product demand, and offerings. The market potential for instant ginger products can be seen in the following sales graph

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Source: Primary Data After processing, 2025

Figure 1. Graph of instant red ginger product sales in 2024.

Average product sales fluctuations tended to increase over 12 months in 2024, indicating that the product has loyal consumers with good market potential. The decline in sales was due to a lack of raw material supply at certain times and suboptimal production capacity, so that production volumes tended not to meet market demand. Raja Bawang instant red ginger products have great potential for growth, but a strategic approach is needed to improve product offerings, including a combination of product value, how it is presented to consumers, and clear positioning in the market. Well-structured offerings will be key in shaping consumer perceptions and strengthening loyalty to local products. The offering can be influenced by factors such as production costs, use of technology, product prices, changes in productivity, and company expectations (Junaidin Zakaria, 2012). This study was conducted to formulate a strategy for increasing the offering of instant red ginger products at Raja Bawang MSMEs. The formulation of this strategy focuses on internal and external factors related to production and marketing. It is hoped that the results of this study can make a real contribution to the progress of Raja Bawang MSMEs and also to the development of the local economy with the potential of local spice-based resources combined with strengthening the entrepreneurial capacity of the community as the main agent in creating added value, employment, and the sustainability of businesses based on local wisdom.

## Literature Review

MSMEs play an important role in boosting the regional economy because they are able to create added value, open up job opportunities, and strengthen the identity of local products (Tambunan, 2019). In the processed food sector, particularly herbal beverages, consumer demand is increasing in line with the healthy lifestyle trend (Suryana & Rachmawati, 2020). Red ginger, as a local spice, has great potential to be processed into practical and functional instant products (Prasetyo, Lestari, & Widodo, 2019). Several previous studies have shown the opportunities and challenges in developing instant herbal products. Hidayat & Lestari (2020) researched marketing strategies for traditional herbal drinks in West Java and found that the use of e-commerce and product innovation play an important role in expanding the market. Nuraini, Setyowati, & Putra (2021) researched the development of instant ginger products in Yogyakarta, and the results showed that the quality of raw materials and attractive packaging design influenced consumer purchasing interest. Meanwhile, Sari & Hapsari (2018) found that limited production capacity is a major obstacle for herbal beverage MSMEs in Surabaya, requiring the adoption of production technology to increase competitiveness.

## METHOD

This research was conducted at Raja Bawang MSMEs located at Jl. Abdul Rahman Saleh No.33, Palu City. This location was deliberately chosen because Raja Bawang MSMEs are one of the local businesses that consistently produce instant red ginger and are known to be active in production activities in the Palu City area. This research lasted for two months, from February to March 2025. The type of data used in this study was primary data. Primary data included information about the production, supply, and sales of instant red ginger products at Raja Bawang MSME. Data was collected directly from the field through observation and interviews. The data came from Raja Bawang MSME sales reports and also from respondents' responses to various indicators related to instant red ginger products. The population in this study consists of individuals who are considered to have knowledge and experience related to the Raja Bawang MSME business, both from within the business and from external parties. The sampling technique used was purposive, which is the selection of respondents based on certain considerations. The criteria for respondents in this study were those who understand the activities of the Raja Bawang MSME business, have been or are currently consumers of instant red ginger products, and are familiar with market conditions and the business

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sector environment. The analysis method used in this study was SWOT analysis. According to Rangkuti (2014), SWOT is an analytical tool used to identify strengths and weaknesses of the internal environment, as well as opportunities and threats from the external environment. In the context of this study, SWOT analysis (Ghazinoory, Abdi, & Azadegan-Mehr, 2011) was used to formulate strategies to increase product offerings by analyzing and combining various internal and external factors that affect Raja Bawang MSMEs.

## RESEARCH RESULTS

The identification and assessment of internal and external factors that influence the supply of instant red ginger products at Raja Bawang MSMEs were carried out in the strategic analysis process. Internal factors include strengths and weaknesses, while external factors include opportunities and threats faced in the process of supplying instant red ginger products. Each indicator was analyzed through a weighting and rating process to produce a final score that reflects the level of significance of each factor. The results of the assessment are shown in the following table and form the main basis for the development of a strategy to increase the supply of instant red ginger.

No	Indicator	Weight	Rating	Score
	<b>Strength</b>			
1	Availability and quality of raw materials	0,16	4	0,63
2	Skilled labor	0,13	4	0,48
3	Instant herbal beverage product	0,13	4	0,50
4	Partnerships in marketing	0,09	4	0,38
	Total Strength	0,50	16	1,98
	<b>Weaknesses</b>			
1	Manual production tools	0,13	1	0,15
2	Unattractive packaging design	0,09	1	0,13
3	Low production capacity	0,13	3	0,33
4	Limited promotion and no use of online media	0,16	1	0,16
	Total Weaknesses	0,50	6	0,76
	Total Internal Factors	1,00		2,74
		weight	Rating	Score
	<b>Opportunities</b>			
1	Advances in information technology for marketing	0,14	4	0,55
2	Public awarness of herbal product consumption	0,18	4	0,68
3	Development of processed food production technology	0,11	4	0,41
4	Market potential for herbal product	0,14	4	0,57
	Total opportunities	0,57	16	2,21
	<b>Threats</b>	Weight	Rating	Score
1	Competitors offering similiar products	0,18	2	0,42
2	Fluctuations in the prices of raw materials and auxiliary materials	0,14	2	0,26
3	Changes in consumer tastes	0,11	2	0,16
	Total Threats	0,43		0,84
	Total External Factors	1,00		3,05

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The results of this study indicate that internal and external factors influence the strategy to increase sales of instant red ginger products at Raja Bawang MSMEs. The analysis was conducted using the SWOT method to identify the strengths, weaknesses, opportunities, and threats faced. Based on the results of the analysis of internal and external factors, the following values were obtained:

Factor	Total Score
Strength	1,98
Weakness	0,76
Opportunity	2,21
Threat	0,84

From this data, values were obtained for the SWOT diagram coordinate axes: X-axis (Internal) = Strengths – Weaknesses = 1.22 and Y-axis (External) = Opportunities – Threats = 1.38. The X and Y values on the SWOT diagram show that the position of the strategy to increase sales of instant red ginger products at Raja Bawang MSMEs is in quadrant 1 (One). The position in quadrant 1 indicates that the most appropriate strategy is an aggressive or growth-oriented strategy (David & David, 2017). An aggressive strategy has significant strengths that can be optimally utilized to seize available market opportunities.

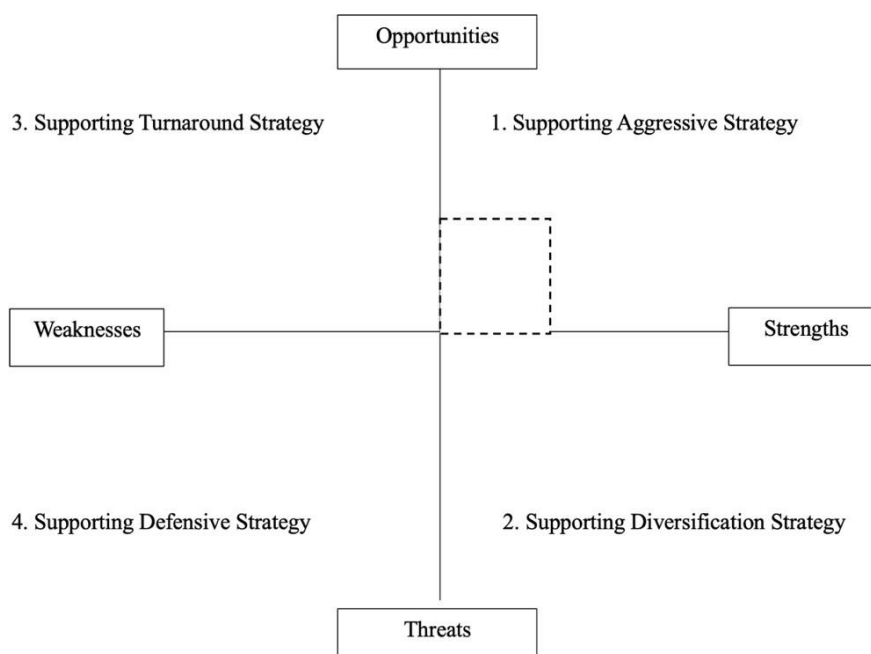


Figure 2. SWOT analysis diagram (Ghazinoory, Abdi, & Azadegan-Mehr, 2011)

The results of the mapping carried out on the SWOT diagram show that Raja Bawang MSMEs have sufficient strength to take advantage of existing market opportunities. In addition, they have high growth potential through the utilization of good quality raw materials, skilled labor, the superiority of instant herbal drinks, and established marketing partnerships. Available opportunities, such as advances in information technology, increased public awareness of herbal product consumption, developments in food processing technology, and broad market potential, can be strategically utilized to expand market reach and increase competitiveness. Raja Bawang MSMEs are recommended to optimize the availability of quality raw materials through processing using modern production technologies, such as ginger powder making/crystallization machines and automatic powder packaging machines, and to increase workforce capacity through training in the use of modern tools in order to increase production volume, especially when the demand for herbal drinks is on the rise. The utilization of established partnership networks can expand marketing reach through marketplaces, e-commerce platforms, and modern retail stores. The use of e-commerce has been proven to increase the competitiveness of MSMEs in local and global markets (Indrawati &

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Ekawati, 2021). Developing more attractive flavor variants and packaging designs that are in line with current health or healthy lifestyle trends, through information on the benefits of consuming herbal products to the inclusion of nutritional content information on the packaging to attract new consumers while retaining old ones. The application of appropriate production technology is also an important step to ensure product quality and consistency, so that the brand image is maintained amid increasingly fierce market competition.

### CONCLUSION

Based on the SWOT analysis results, Raja Bawang SMEs are in a strategically advantageous position to develop sales of instant red ginger products. The total strength value (1.98) is greater than the weakness (0.76), and the opportunity (2.21) is higher than the threat (0.84), placing this business in Quadrant I, which indicates an aggressive growth strategy. This condition reflects that the internal potential, such as guaranteed availability of raw materials, skilled labor, unique instant herbal products, and established marketing partnerships, can be optimally utilized to capture increasingly open market opportunities. However, there are challenges that need to be anticipated, including limited production capacity, unattractive packaging design (Rangkuti & Syamsul, 2018), and competition with similar products on the market.

Recommendations. Based on the research results, the following recommendations are suggested for the development strategy of Raja Bawang instant red ginger products

1. Optimize production by utilizing the availability of raw materials and skilled labor to increase production volume, especially when the trend of herbal product consumption is increasing.
2. Strengthen marketing channels by utilizing digital platforms such as marketplaces and e-commerce, as well as expanding distribution to modern retail stores with the support of existing partnerships.
3. Product innovation through the development of flavor variants and more attractive packaging designs, in line with health trends and healthy lifestyles.
4. Implementing production technology to maintain product quality and taste consistency while improving processing efficiency.
5. Monitoring the market and conducting periodic evaluations of marketing performance, so that the strategies implemented are always relevant and able to respond to changes in consumer tastes and competitive dynamics.

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