



Enhancing the Competitiveness of Traditional Tempe Chip SMEs: A Marketing Strategy Analysis of Dua Karunia in Sanan Village, Malang

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Abstract. *The tempe chip industry in Sanan Village, Malang City, represents a culturally embedded small and medium enterprise (SME) cluster that has contributed to the local economy for decades. However, intensifying intra-cluster competition, soybean price volatility, and shifting consumer behavior have placed increasing pressure on the competitiveness of businesses in this area. This study aims to analyze the marketing strategy implemented by Keripik Tempe Dua Karunia — one of the pioneering enterprises in Sanan Village that has been operating since 1980 — and to identify the marketing strategy factors that contribute to enhancing its competitive advantage. A qualitative descriptive approach was employed through field observation, in-depth interviews with the business owner, and documentation analysis. The analysis is grounded in the 4P marketing mix framework — Product, Price, Place, and Promotion. The findings reveal that Dua Karunia builds its competitiveness through four strategic pillars: (1) product differentiation through multi-flavor diversification and consumer-driven customization; (2) cost-based pricing that is adaptively managed through shrinkflation tactics in response to raw material price fluctuations; (3) multi-channel distribution that integrates direct outlet sales with digital platforms (Shopee and WhatsApp); and (4) long-established word-of-mouth reputation-based promotion reinforced by active e-commerce presence. This study concludes that the consistent integration of all four marketing mix elements, supported by family-based operational flexibility and the cultural heritage value embedded in the product, constitutes the primary source of sustained competitive advantage for Dua Karunia amid increasingly intense cluster competition. These findings carry practical implications for similar SMEs seeking to design adaptive, competitiveness-oriented marketing strategies.*

Keywords: Competitiveness; Marketing Mix; Marketing Strategy; Sanan Village; Tempe Chip SME.

1. INTRODUCTION

Small and Medium Enterprises (SMEs) are widely recognized as the backbone of developing economies, contributing substantially to employment, income distribution, and national output. In Indonesia, SMEs account for approximately 61% of the national Gross Domestic Product (GDP) and absorb more than 97% of the total workforce (Ministry of Cooperatives and SMEs, 2023). Beyond their economic scale, SMEs serve as incubators of local innovation, cultural preservation, and community resilience particularly in industries rooted in traditional knowledge and artisanal practices. Despite their significance, however, SMEs in competitive cluster environments frequently struggle to sustain and enhance their competitiveness, often lacking the strategic marketing capabilities needed to differentiate their offerings and retain customers over time (Nikmah et al., 2022).

Competitiveness, in the context of SMEs, refers to the sustained ability of a firm to produce and market products at prices and qualities that are superior to, or at least comparable with, those of competitors, while maintaining or improving its performance over time (Yaskun et al., 2023). Among the various drivers of SME competitiveness, marketing strategy has been consistently identified as one of the most critical. An effective marketing strategy enables SMEs to align their product offerings with market demand, position their brand distinctly in the minds of consumers, and build the loyal customer base that is essential for long-term survival (Kotler & Armstrong, 2018). The absence of a coherent marketing strategy, by contrast, leaves SMEs exposed to competitive substitution and price erosion particularly in densely populated local clusters where product homogeneity is high.

The tempe chip industry in Sanan Village, Kecamatan Blimbing, Malang City, East Java, represents one of Indonesia's most distinctive examples of a heritage-based food SME cluster. Home to more than 200 tempe chip producers whose businesses have been passed down through generations, Sanan Village has evolved into a nationally recognized culinary tourism destination that attracts both domestic and international visitors. The cluster's collective identity as a traditional food production center creates a unique competitive context in which individual enterprises must simultaneously leverage the cluster's shared reputation while differentiating themselves sufficiently to attract loyal, repeat customers. However, this environment has also become increasingly challenging: intensifying intra-cluster competition, rising soybean prices driven by import dependency, and shifting consumer preferences toward modern packaged snacks have collectively eroded the market position of several producers with approximately ten businesses reportedly ceasing operations in recent years.

Compounding these structural pressures is the rapid digitalization of consumer purchasing behavior. The widespread adoption of e-commerce platforms particularly Shopee, Tokopedia, and WhatsApp Business has fundamentally altered how consumers discover, evaluate, and purchase food products. SMEs that fail to adapt their distribution and promotion strategies to incorporate digital channels risk losing market share to more digitally agile competitors, even if their product quality is superior. Research by (Nikmah, Sukma, et al., 2023) on batik craftsmen in East Java demonstrated that effectuation strategies combined with niche marketing can effectively sustain competitive advantage for traditional craft SMEs a finding highly relevant to the tempe chip context. Similarly, (Nikmah et al., 2021). established through a resource-based view (RBV) analysis that competitive advantage for Indonesian SMEs is most durably achieved through the strategic optimization of internal resources and distinctive competencies, rather than through price competition alone.

Within this competitive landscape, the 4P marketing mix framework: Product, Price, Place, and Promotion provides the most widely applicable and practically grounded analytical lens for evaluating how a food SME configures its market offering (Kotler & Armstrong, 2018); (Kotler & Keller, 2016). Each element of the 4P mix represents a lever through which a firm can create or erode competitive advantage: product differentiation through quality and flavor variety, price competitiveness through cost management, distribution reach through channel selection, and brand visibility through promotional activities. The integrated management of these four elements, tailored to the specific opportunities and constraints of a heritage-based cluster environment, is what distinguishes sustainably competitive SMEs from those that remain perpetually vulnerable to market shocks.

UMKM Keripik Tempe Dua Karunia stands as a compelling case of long-run competitive sustainability in the Sanan Village cluster. Established in 1980 by Bapak M. Arif Sofyan Hadi, the enterprise is credited with pioneering the round-shaped tempe chip format that has since become synonymous with Sanan Village's culinary identity. Over more than four decades, Dua Karunia has navigated multiple cycles of commodity price volatility, shifts in consumer taste, and the emergence of digital commerce, adapting its marketing strategy incrementally while preserving the artisanal quality and cultural authenticity that constitute its core competitive assets. Today, the enterprise operates through a multi-channel distribution system that integrates direct outlet sales, wholesale distribution, and digital platforms managed by the next generation of the family, demonstrating a form of entrepreneurial succession that is increasingly recognized as a key resilience factor for family-based SMEs (Yaskun et al., 2023).

Despite the rich body of research on marketing strategy in Indonesian food SMEs ((Nikmah et al., 2022); (Yaskun et al., 2023), studies that specifically examine the marketing strategies underpinning competitive enhancement in heritage-based tempe chip enterprises within the Sanan Village cluster context remain notably scarce. Most prior work has either examined food SME marketing in generic regional contexts or focused on digital marketing adoption in isolation, without integrating a holistic 4P analysis with the specific competitive dynamics of a culturally embedded cluster. This research gap motivates the present study, which adopts a case study approach to provide a deep, contextually grounded analysis of how Dua Karunia's marketing strategy has contributed to its sustained competitiveness — and what lessons this holds for similar enterprises navigating comparable competitive pressures.

This study is guided by the following objectives: (1) to analyze the implementation of the 4P marketing mix strategy at UMKM Keripik Tempe Dua Karunia in Sanan Village, Malang; (2) to identify the specific marketing strategy elements that contribute most

significantly to the enterprise's competitive advantage; and (3) to formulate evidence-based strategic recommendations that can be applied by similar heritage-based food SMEs seeking to enhance their competitiveness in the face of intensifying market competition and digital disruption. The findings are expected to contribute both to the theoretical understanding of marketing strategy in traditional SME clusters and to the practical repertoire of tools available to SME practitioners and policymakers in the food processing sector.

2. THEORETICAL STUDY

SME Competitiveness

Competitiveness at the firm level refers to the sustained capacity of an enterprise to produce and deliver products at prices, quality levels, and innovation rates superior to, or comparable with, competitors, while maintaining profitability and long-term growth (Porter, 1985). For SMEs in traditional food industries, competitiveness is not a static state but a dynamic capability — one that must be continuously renewed through market learning, operational adaptation, and strategic resource deployment (Teece, 2014). This dynamic dimension is particularly critical in cluster environments such as Sanan Village, where the proximity of similar producers creates constant pressure to differentiate.

The Resource-Based View (RBV) of the firm, originally developed by Barney (Barney, 1991) and applied in the Indonesian SME context by (Nikmah et al., 2022), argues that sustainable competitive advantage stems from resources that are Valuable, Rare, Inimitable, and Non-substitutable (VRIN). For heritage food SMEs, such resources include accumulated artisanal knowledge, multi-decade brand reputation, deeply loyal customer relationships, and culturally embedded product identity assets that new market entrants cannot easily replicate. (Nikmah et al., 2021) confirmed empirically that Indonesian SMEs that strategically leverage their distinctive internal competencies achieve more durable competitive positions than those competing on price alone.

Complementing RBV, (Nikmah, Andi Sukma, et al., 2023) demonstrated that integrating an effectuation strategy making decisions based on available means rather than predetermined goals with focused niche marketing represents a powerful pathway to competitive advantage for traditional food and craft SMEs in East Java. Their findings indicate that SMEs serving well-defined consumer niches with superior product customization achieve significantly higher retention and market resilience than those pursuing undifferentiated strategies. Furthermore, (Yaskun et al., 2023) confirmed through a study of Indonesian MSMEs that market orientation, entrepreneurial orientation, and innovation — when coherently integrated through marketing

strategy are significant positive predictors of business performance and competitive sustainability.

Marketing Strategy and Competitive Advantage

Marketing strategy is defined as a coordinated plan through which a business seeks to achieve its marketing objectives by identifying target markets and developing an optimal value proposition for those markets (Kotler & Armstrong, 2018). It is the primary bridge between a firm's internal capabilities and the external competitive environment, translating resource strengths into commercially valuable offerings. For SMEs, marketing strategy performs a dual function: driving short-term sales growth while building the brand equity and customer loyalty required for long-term competitive sustainability.

Resnick, Cheng, Simpson, and Lourenço (Adilla Widyawati & Amin, 2025) (2016) demonstrated in a landmark study of digital-era SME marketing that the 4P framework retains strong explanatory power even when applied to digital marketing channels, and that SMEs which apply the 4P model systematically to both physical and online channels achieve superior marketing performance. Their work is particularly relevant in the current context, where traditional food SMEs must manage both heritage-based physical retail and an expanding digital presence simultaneously. Similarly, (Adilla Widyawati & Amin, 2025) found that the adoption of structured marketing strategies encompassing product differentiation, competitive pricing, and multi-channel promotion significantly improved the sales performance and market reach of food SMEs in emerging markets.

The concept of market orientation defined by Narver and Slater (1990) as the organization-wide generation, dissemination, and responsiveness to market intelligence — has been consistently identified as a mediating factor between marketing strategy quality and business performance. Herman, Hady, and Arafah (2018) confirmed that Indonesian SMEs with higher levels of market orientation and product innovation demonstrated significantly stronger competitive advantage and overall performance outcomes. Their findings reinforce the principle that effective marketing strategy is not merely a tactical toolkit but a strategic posture of continuous market sensing and adaptive response.

Marketing Mix (4P Framework)

The marketing mix, originally formalized by McCarthy (1960) and comprehensively developed by (Kotler & Armstrong, 2018), organizes a firm's market-facing activities into four interdependent decision areas: Product, Price, Place, and Promotion. Each element must be calibrated in relation to the others to create a coherent, competitive market offering. (Firmansyah et al., 2025) confirmed that the marketing mix remains the most operationally

relevant framework for SME marketing analysis, noting that firms which achieve balanced and integrated management of all four elements demonstrate consistently higher levels of customer satisfaction and repurchase intention than those that over-invest in a single element.

Product

Product is the cornerstone of the marketing mix, encompassing everything a firm offers to satisfy consumer needs including quality, variety, design, packaging, and branding (Kotler & Keller, 2016). For food SMEs, product strategy is the most direct mechanism of competitive differentiation. The ability to offer diverse flavor variants, maintain quality consistency, and respond to individual consumer requests through customization are attributes that distinguish sustainably competitive heritage producers from commodity-like rivals. (Kotler & Keller, 2016) propose analyzing products across three levels: the core product (fundamental benefit), the actual product (tangible features including quality and packaging), and the augmented product (additional value-adds such as personalization and after-sales responsiveness).

Empirical evidence confirms the competitive value of product innovation in food SMEs. Research on agri-food processing SMEs found that product innovation, including the introduction of new variants and improvements to packaging, had a significant positive effect on competitive advantage and overall business performance, with brand identity emerging as the most influential mediating variable (Santosa, 2023). These findings are directly applicable to the tempe chip context, where multi-flavor diversification and recognizable, well-designed packaging serve as key drivers of consumer preference and brand recall.

Price

Price is the only revenue-generating element of the marketing mix; all other elements represent costs (Kotler & Armstrong, 2018). Pricing is strategically consequential because it simultaneously signals product quality, defines competitive positioning, and determines profitability. Three major approaches dominate the literature: cost-based pricing (price = total production cost + target margin), value-based pricing (price = consumer's perceived value of the product), and competition-based pricing (price benchmarked against competitor rates). Aman (2022) reviewed pricing strategy implementations across diverse SME sectors and confirmed that cost-based pricing combined with regular competitive benchmarking is the most sustainable approach for resource-constrained enterprises facing volatile input costs.

For food SMEs dependent on commodity inputs such as soybeans, pricing decisions must balance cost recovery with market competitiveness. When direct price increases risk triggering consumer resistance, adaptive tactics such as shrinkflation — reducing product quantity per unit while maintaining the nominal price, may be employed to protect margins. While

economically rational, such tactics carry reputational risk if perceived as deceptive, and must be managed within a broader framework of brand trust and product quality communication. (Deng, 2022) demonstrated through a 4P and SWOT analysis of competitive businesses that price strategy coherence, the alignment of pricing decisions with product positioning, distribution reach, and promotional messaging, is a more reliable predictor of sustained market share than price level alone.

Place (Distribution)

Place or distribution, encompasses all activities that make a product accessible to consumers at the right time, location, and quantity (Kotler & Armstrong, 2018). For food SMEs, the efficiency and breadth of distribution directly determine market reach and service reliability. The digital transformation of commerce has dramatically expanded distribution options: multi-channel distribution simultaneously serving consumers through physical outlets, wholesale, and digital platforms has become the competitive standard for food SMEs seeking national market reach without prohibitive logistics investment (Verhoef et al., 2015). In Indonesia, platforms such as Shopee and WhatsApp Business have become essential digital distribution infrastructure enabling traditional food producers to access buyers well beyond their local geographic catchment.

(Nikmah et al., 2022) further demonstrated that developing strong networking capability the capacity to build and leverage inter-organizational relationships with distributors, resellers, and platform partners significantly enhances SME market reach and supply chain resilience. Their findings, grounded in a study of East Java SMEs, suggest that the competitive value of multi-channel distribution is amplified when supported by deliberate relationship-building with channel partners, creating a web of inter-firm dependencies that is difficult for competitors to replicate.

Promotion

Promotion encompasses all activities through which a firm communicates its value proposition and persuades target consumers to purchase (Kotler & Armstrong, 2018). The promotional mix includes advertising, sales promotion, personal selling, public relations, and direct marketing augmented in the digital era by social media marketing, e-commerce platform optimization, and influencer engagement. For SMEs with constrained promotional budgets, the strategic selection and integration of promotional tools is critical to achieving maximum impact per unit of investment.

For heritage-based food SMEs, word-of-mouth (WOM) marketing remains the most credible and cost-effective promotional mechanism. Research on food SMEs in East Java by Novie (2024) confirmed that personalized customer interactions, community-centered branding, and authentic digital engagement are the most effective promotional approaches for building both brand visibility and consumer loyalty in saturated food markets — findings consistent with the theoretical argument that heritage brand equity, when actively communicated, serves as a form of shared promotional capital that amplifies the reach of individual promotional activities. (Bachri et al., 2023) additionally confirmed that strategic digital marketing particularly through social media and e-commerce platforms significantly improves customer satisfaction and purchase intent among Indonesian MSME consumers, underscoring the competitive necessity of digital promotional integration for traditional food producers.

Digital Marketing and E-Commerce Adoption by SMEs

Digital marketing refers to the use of internet-connected technologies and platforms to plan, execute, and optimize marketing activities to reach and engage target audiences (Chaffey, 2024). For SMEs, digital marketing adoption has been transformative — enabling micro-scale enterprises to achieve brand visibility and market reach previously accessible only to large corporations. Key channels relevant to Indonesian food SMEs include social media platforms (Instagram, TikTok, Facebook), e-commerce marketplaces (Shopee, Tokopedia), and WhatsApp Business for direct customer communication.

The Technology-Organization-Environment (TOE) framework has emerged as a widely applied lens for understanding SME digital marketing adoption decisions (Amoah et al., 2016). Research applying this framework found that while technological factors such as perceived complexity and cost create adoption barriers, organizational factors including management support and perceived employee capability, combined with environmental pressures from customers and competitors, are the most significant positive drivers of social media marketing adoption among SMEs. These findings highlight that for traditional food SMEs, the decision to adopt digital marketing is not merely technical it requires organizational commitment, capability building, and an accurate reading of competitive environment signals.

In the Indonesian context specifically, (Bachri et al., 2023) confirmed that digital marketing particularly through social media and targeted online promotions significantly improves customer satisfaction and purchase decisions among MSME consumers. Szymanski (2021) further demonstrated through a cross-regional study that e-commerce adoption by SMEs in developing economies leads to measurable improvements in competitive positioning and

sales performance, particularly for enterprises in traditional product categories competing against more resourced players. These findings collectively establish digital marketing adoption not as an optional enhancement but as a competitive necessity for food SMEs seeking to sustain and enhance their market position.

Consumer Behavior in Heritage Food Markets

Consumer behavior in heritage and traditional food markets is shaped by a distinctive constellation of cultural, sensory, and social factors that differentiates it from mainstream packaged food purchasing (Solomon, 2018). Research on Indonesian traditional food consumers demonstrates that purchasing decisions are guided primarily by cultural familiarity, taste authenticity, sensory quality cues (crunchiness, aroma, flavor consistency), and the recommendations of trusted family and social networks rather than by advertising exposure or price promotions (Sumarwan, 2021). Harjayanti et al. (2020) further found that consumers including younger millennial segments strongly favor traditional food products perceived as having high quality and authentic local provenance.

The social dimension of traditional food consumption also carries significant strategic implications. Tempe chips are frequently purchased as gifts, souvenirs, or for communal celebrations — consumption contexts characterized by bulk purchasing behavior and elevated quality scrutiny. Renwarin et al. (2024) demonstrated that purchase preferences and consumer beliefs about product authenticity are strong predictors of repurchase intention for traditional culinary products in Indonesia, with trust and commitment emerging as critical mediating variables. For enterprises like Dua Karunia, understanding and designing for these social purchasing occasions through gift packaging, volume pricing, and seasonal promotions represents a high-leverage marketing opportunity that directly reinforces competitive

3. RESEARCH METHODOLOGY

Research Design and Approach

This study employs a qualitative descriptive approach using a single case study strategy (Yin, 2018). This design was selected because the research questions are "how" and "why" in nature, seeking to understand how Dua Karunia implements its marketing strategy and why it has sustained competitive advantage over four decades — questions that require contextual depth rather than statistical measurement (Creswell & Poth, 2018). The enterprise constitutes a revelatory case: as the founding pioneer of the round-shaped tempe chip in Sanan Village with over 44 years of uninterrupted operation, it offers a uniquely rich window into sustained competitiveness in a traditional heritage food cluster.

Research Location and Informants

The research was conducted at UMKM Keripik Tempe Dua Karunia, located at Jl. Sanan Gg. III No. 132, Purwantoro, Kecamatan Blimbing, Kota Malang, East Java (65122), within the Sanan Village culinary cluster. Two informants participated: (1) Bapak M. Arif Sofyan Hadi (founder and owner) as the primary informant, responsible for all production, pricing, and outlet sales decisions; and (2) his son, the digital sales manager, as secondary informant, who oversees the Shopee and WhatsApp channels. This informant structure ensures that both the traditional and digital dimensions of the enterprise's marketing strategy are adequately captured.

Data Collection

Data were collected through three complementary methods to ensure methodological triangulation (Creswell & Poth, 2018): (1) semi-structured in-depth interviews with both informants, guided by a 4P-based interview protocol and conducted in Bahasa Indonesia (60–90 minutes per session, audio-recorded and transcribed verbatim); (2) direct observation of production processes, retail interactions, inventory management, and digital order fulfillment during multiple site visits; and (3) documentation analysis of product packaging, price lists, transaction records, the enterprise's Shopee storefront, and WhatsApp Business profile. Combining these three sources ensures that stated practices (interviews), enacted practices (observation), and documented artifacts (documentation) are cross-verified before conclusions are drawn.

Data Analysis

Data were analyzed using the interactive model of (Miles et al., 2014), which proceeds through three iterative stages: (1) data condensation, open and focused coding of transcripts and field notes to identify themes aligned with the 4P marketing mix framework; (2) data display, organizing coded data into a 4P matrix, process flow diagrams, and narrative summaries; and (3) conclusion drawing and verification generating and refining interpretive propositions through iterative engagement with data and the theoretical framework. Member checking with the primary informant was conducted to verify the accuracy of key findings.

Data Validity

Trustworthiness was ensured through four measures aligned with (Lincoln & Guba, 1985) criteria: (1) credibility, via source and methodological triangulation and member checking; (2) transferability, through thick description of the enterprise and its cluster context; (3) dependability, through a structured interview guide and documented audit trail; and (4)

confirmability, through researcher reflexivity and systematic bracketing of prior assumptions before data collection.

4. RESULTS AND DISCUSSION

Enterprise Profile

UMKM Keripik Tempe Dua Karunia was established in 1980 by Bapak M. Arif Sofyan Hadi and is located at Jl. Sanan Gg. III No. 132, Purwantoro, Kecamatan Blimbing, Kota Malang, East Java. The enterprise is recognized as the pioneer of the round-shaped tempe chip format in Sanan Village. Daily production capacity stands at approximately 200 pcs (± 30 kg of finished product). Business operations are managed on a family basis: Bapak Arif personally oversees all production and direct outlet sales, while his son manages the digital sales channels (Shopee and WhatsApp). Workers are engaged flexibly on a call-in basis when order volumes exceed routine capacity. The enterprise operates within the Sanan Village culinary cluster, which accommodates over 200 active tempe chip producers.

Marketing Strategy Implementation: 4P Analysis

Product

Observation and interview data reveal that Dua Karunia's product range consists of tempe chips in six flavor variants: Original, Balado, Cheese (Keju), Spaghetti, Spicy-Salty (Pedas Asin), and additional custom variants produced on consumer request. The Original flavor consistently generates the highest sales volume. All products are packaged in sealed plastic bags of 225 gr, clearly labeled with product name, flavor, production date, and expiry date. A bulk packaging option is also available a box of 32 pcs (± 7.2 kg) primarily purchased by wholesale buyers and resellers. In terms of production, Dua Karunia sources fermented tempe from external UMKM suppliers rather than fermenting soybeans in-house, as the owner explained: "*Sekarang kami ambil tempe dari UMKM lain dulu, karena keterbatasan fasilitas. Jadi kami fokus bikin keripiknya saja.*" Bapak M. Arif Sofyan Hadi, Interview, 2026

A defining characteristic of the product strategy is the enterprise's openness to flavor customization based on direct consumer request a practice that creates a personalized purchasing experience and drives repeat engagement. This consumer-responsive approach has been maintained consistently since the enterprise's founding and constitutes one of its most distinctive product features within the Sanan Village cluster.

Price

Dua Karunia applies a cost-based pricing approach, in which the selling price reflects total production costs including raw materials, labor, overhead, and packaging plus a target profit margin. The current retail price is Rp 12,000 per 225 gr package. Bulk orders are priced at approximately Rp 380,000 per box of 32 pcs, while loose kilogram sales are priced at Rp 70,000/kg up from the previous rate of Rp 50,000/kg. A notable pricing adjustment has been the reduction of the packaging gramasi from 250 gr to 225 gr while maintaining the same Rp 12,000 price point, as a direct response to rising soybean input costs. The owner stated: "*Harga kedelai naik terus, jadi kami kurangi isinya dari 250 gram jadi 225 gram, tapi harganya tetap sama. Kalau dinaikkan harganya, konsumen berkurang.*" Bapak M. Arif Sofyan Hadi, Interview, 2026

Pricing decisions are also informed by competitor benchmarking within the Sanan Village cluster, ensuring that the enterprise's prices remain competitive relative to adjacent producers offering comparable products.

Place (Distribution)

Dua Karunia operates a multi-channel distribution system comprising five distinct channels. The primary channel is the physical outlet at Jl. Sanan Gg. III, which accepts cash payments only and is managed directly by Bapak Arif. Consumers may also purchase directly at the home production facility. For digital sales, the enterprise maintains an active Shopee storefront and a WhatsApp Business account both managed by the owner's son and accepting bank transfer payments. Finally, the enterprise distributes products through wholesale agents and distributors who supply retail stores, traditional markets, and minimarkets. This channel structure enables Dua Karunia to serve local walk-in consumers, domestic online buyers, and institutional or bulk purchasers through a single integrated distribution architecture.

Promotion

Dua Karunia's promotional activities rely primarily on two organic mechanisms: long-established word-of-mouth (WOM) reputation accumulated over 44 years of operation, and passive visibility derived from the enterprise's physical location within the nationally recognized Sanan Village culinary tourism cluster. No paid advertising or structured social media campaigns were observed during fieldwork. The Shopee product listing and WhatsApp Business account serve as the enterprise's digital promotional presence, managed by the owner's son. In-store product display at the outlet, with clearly visible variant labels and pricing, functions as a point-of-sale promotional tool that encourages impulse purchases from passing visitors. The owner described the enterprise's promotional posture as follows: "*Kami*

sudah lama di sini sejak 1980. Orang sudah tahu sendiri. Yang online, anak saya yang urus."

Bapak M. Arif Sofyan Hadi, Interview, 2026

Inventory Control and Production Management

Dua Karunia employs two complementary inventory management practices. The FIFO (First In First Out) method is applied to raw material rotation: soybeans and other inputs received earliest are used first in production to prevent spoilage and maintain freshness. Alongside FIFO, the enterprise observes a Just In Time (JIT) production logic, whereby production is triggered by confirmed orders rather than by anticipated demand, minimizing unsold stock and reducing the financial risk of holding inventory during periods of soybean price volatility. The owner confirmed this approach: "*Sekarang saya lebih sering menunggu pesanan dulu baru produksi. Kalau tidak ada pesanan, saya tidak produksi banyak-banyak, supaya tidak rugi.*" Bapak M. Arif Sofyan Hadi, Interview, 2026

Inventory movements are documented manually through a warehouse card (kartu gudang), which records raw material receipts, production withdrawals, and finished goods dispatches. Supplier invoices are verified against incoming raw material quantities and retained as transaction records. This manual documentation system, while simple, provides a traceable record of stock movement that supports basic financial management and order verification.

Order Processing

The order processing cycle at Dua Karunia follows five sequential stages: order receipt, picking, packing, shipping, and invoicing. For offline (outlet) orders, the cycle is simple and immediate: the customer selects products at the point of sale, Bapak Arif retrieves and hands over the packaged product, and payment is settled in cash with a manual receipt issued. For online orders via Shopee or WhatsApp, the owner's son receives the order details (variant, quantity, and delivery address), retrieves and packages the products, hands the parcel to a third-party courier service, communicates the tracking number to the customer, and records the transaction. The separation of online and offline order management between the owner and his son ensures operational continuity across both channels without role conflict.

Summary of Key Findings

Table 1 presents a consolidated summary of the key findings across all research dimensions as derived from field observation and interview data.

Table 1. Consolidated Summary of Key Findings UMKM Keripik Tempe Dua Karunia.

Dimension	Key Findings
Product	6 flavor variants (Original, Balado, Cheese, Spaghetti, Spicy-Salty, Custom); 225 gr packaging; consumer-driven customization; round-shape as brand identity; tempe sourced from external suppliers
Price	Rp 12,000/225 gr (retail); Rp 380,000/box-32 pcs; Rp 70,000/kg (bulk); cost-based pricing; gramasi reduced from 250 gr to 225 gr at constant price (shrinkflation) in response to soybean price increase
Place	5 channels: physical outlet (cash), home facility (cash), Shopee (transfer), WhatsApp (transfer), wholesale/distributor; dual management — owner handles offline; son handles online
Promotion	Primary: 44-year WOM heritage reputation + Sanan Village cluster location; Secondary: Shopee listing, WhatsApp Business, in-store display; no paid advertising
Inventory Control	FIFO for raw material rotation; JIT make-to-order production logic; manual warehouse card (kartu gudang) and invoice documentation
Order Processing	5-stage cycle: Order → Picking → Packing → Shipping → Invoicing; offline managed by owner (cash); online managed by son (courier + transfer)

Source: Compiled from primary data — field observation and interview (2026)

5. CONCLUSION AND SUGGESTIONS

Conclusion

This study analyzed the marketing strategy of UMKM Keripik Tempe Dua Karunia a pioneering enterprise in Sanan Village, Malang through the 4P marketing mix framework with the aim of identifying the strategic factors contributing to its sustained competitive advantage. The findings lead to three principal conclusions.

First, Dua Karunia implements a coherent and integrated 4P marketing strategy, each element of which is deliberately configured to reinforce the others. Product strategy is built on multi-flavor diversification and consumer-driven customization, supported by consistent quality standards maintained across all variants. Pricing follows a cost-based approach with competitor benchmarking, and the enterprise has employed shrinkflation reducing package

gramasi from 250 gr to 225 gr at a constant price as an adaptive mechanism to protect margins against rising soybean costs without triggering consumer price resistance. Distribution is structured across five channels integrating physical outlet, home facility, Shopee, WhatsApp, and wholesale networks a multi-channel architecture that enables the enterprise to serve local, online, and institutional buyers simultaneously. Promotion relies primarily on the enterprise's 44-year word-of-mouth reputation and the organic visibility generated by its location within the Sanan Village culinary tourism cluster, supplemented by digital presence on Shopee and WhatsApp.

Second, the enterprise's competitive advantage is grounded in a combination of heritage brand equity, operational flexibility, and intergenerational capability transfer. The owner's four decades of artisanal expertise and community relationships constitute resources that are valuable, difficult to imitate, and non-substitutable consistent with the Resource-Based View (RBV) framework. The delegation of digital channel management to the owner's son represents a strategic adaptation that extends the enterprise's market reach without disrupting its core production and service model.

Third, while Dua Karunia's current marketing strategy has demonstrated sustained effectiveness, the absence of active social media content creation, structured promotional campaigns, and systematic customer data management represents a gap that may increasingly constrain competitive growth as digitally active competitors intensify within and beyond the Sanan Village cluster.

Suggestions

Based on the research findings, the following suggestions are offered for three groups of stakeholders. For UMKM Keripik Tempe Dua Karunia, it is recommended that the enterprise strengthens its digital promotional activities by developing active social media content particularly short-form video and product storytelling on Instagram or TikTok to leverage the heritage and cultural narrative of the product as a differentiation tool for younger consumer segments. The enterprise should also consider formalizing its customer database from WhatsApp and Shopee transactions to enable targeted promotions and loyalty-building communications. Packaging design, while functional, could be upgraded with enhanced visual branding to improve shelf appeal and reinforce the premium heritage positioning of the product.

For similar heritage food SMEs in Sanan Village and comparable culinary clusters, the findings suggest that the most durable competitive advantage is achieved not through any single marketing mix element in isolation, but through the integrated and consistent management of

all four 4P dimensions simultaneously. Enterprises that maintain product quality, manage pricing adaptively, diversify distribution channels progressively, and invest in both heritage reputation and digital presence are better positioned to withstand the dual pressures of intra-cluster competition and shifting consumer behavior.

For policymakers and SME development programs, this study highlights the strategic value of digital marketing capability building for traditional food SMEs. Training programs that address e-commerce platform management, social media content creation, and basic customer data analytics delivered in practical, accessible formats can meaningfully close the capability gap between heritage SMEs and more digitally advanced competitors, without requiring these enterprises to abandon the artisanal and cultural qualities that constitute their core competitive identity.

Limitations and Directions for Future Research

This study is subject to two primary limitations. First, as a single case study, the findings are specific to Dua Karunia's particular context and may not be directly generalizable to all heritage food SMEs. Future research could employ a multiple case study or comparative design across several enterprises within the Sanan Village cluster to examine whether the marketing strategy patterns observed in this study are consistent across the cluster or idiosyncratic to Dua Karunia. Second, the study captures marketing strategy at a single point in time; a longitudinal design would provide richer insight into how the enterprise's marketing strategy has evolved in response to market changes over its four-decade history. Future studies may also consider integrating quantitative performance measures such as sales volume trends, customer satisfaction scores, or market share estimates to supplement qualitative findings with measurable performance outcomes.

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