

MSME Optimization of *Mie Lethek* Operations in Bantul Regency, Yogyakarta

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Abstract: *Mie Lethek* is a traditional food made from organic ingredients originally from Bantul, Yogyakarta. In relation to, they are not many Indonesians are familiar with it. This is happened because of the lack of innovation in producing noodles and its weakness in marketing through digital media. This study discusses the operational optimization of MSMEs *mie lethek* in Bantul Regency, Yogyakarta. This study uses qualitative research methods by applying observation and interviews. This study aims to develop the innovation in producing *mie lethek* and to develop marketing strategies using digital media. The results of this study show that MSME of *mie Lethek* factory has made innovations in their production but they have difficulty to meet the market demand. In one production, the factory is only able to produce 1 ton of *mie lethek*, while the market demand has reached 3 tons within a month. In addition, to sell *mie lethek* through digital media has not been maximized because they still have difficulties in using its media. They tend to use WhatsApp, YouTube, and local TV broadcasts to market their products. The main reason why *mie lethek* have not been marketed to all digital media networks is because the production of *mie lethek* has not been able to meet the market demand.

Keywords: *marketing, mie lethek, product innovation, technology development strategy*

RESEARCH BACKGROUND

Culinary tourism is a type of tourism that has a positive impact on the development of a region. Culinary tourism plays a role in creating jobs and reducing unemployment in an area so that it can create social welfare. The potential for culinary tourism in Indonesia is considered very potential to be developed. Culinary exploration has become the main goal of tourist trips. Tourists who come to culinary tourism destinations are usually interested in the culinary specialties of the target area,

Apart from being known as the city of education, the Special Region of Yogyakarta is also known for its exotic tours, be it natural, cultural or culinary tourism. The Special Region of Yogyakarta (DIY) has great potential in the food industry sector. 40% of creative industries in DIY are located in the food and beverage sector which is dominated by Industry

Small and Medium Enterprises (IKM). This shows that the food industry has a strategic

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function as a source of social welfare. The Special Region of Yogyakarta is also often referred to as the city of gudeg which is a typical food of Yogyakarta. However, there is one of the specialties of the Isimewa Region of Yogyakarta, precisely in the Bantul district, namely Mie Lethek.

Mie Lethek is a traditional food made from organic and dull in color which is obtained because the raw materials for making noodles come from tapioca and cassava flour which are not dyed so that they leave a dull color impression on the appearance of the noodles (Sahana, M., 2017). Lethek noodles are still produced manually or in traditional ways so they cannot produce noodles with a large capacity and do not have a drying machine which results in being unable to produce during the rainy season. In addition, most people who are still unfamiliar with technology, lack innovation, and have little in marketing their products digitally are phenomena that must be solved immediately.

REVIEW OF RELATED LITERATURE

Definition and Indicators of Product Innovation

According to Law number 19 of 2002 that innovation is a series of developments by applying science and technology into a product. Product is a very vital object that influences the company's success in bringing in a level of profit or profit that will maintain the company's operational activities and financial health. Broadly speaking, a product is anything that can be offered to a market to satisfy a need or want. The term product innovation is an effort that must be made by a business person to create, improve, develop, and improve the product. Based on Law number 19 of 2002, that product innovation is a series to develop and apply technological knowledge into a product.

According to Kotler Armstrong, there are three indicators of product innovation, namely product quality, product variants, and product style and design. Here are some indicators of product innovation, namely:

1. Product Quality; The ability of a product to perform its functions which include durability, reliability, and accuracy produced.
2. Product Variants; Competitive means to differentiate one product from another, or between owned products and competing products.
3. Product Style and Design; Another way of adding value to customers, style only describes the appearance of a particular product, while design has a concept that is more than style.

Definition and Indicators of Production Innovation

Product innovation is an activity to make changes in the production process in order to reduce production and operational costs. Also increase the number of production and improve product quality. Ensuring production can run as efficiently and effectively as possible. Innovation also can not only be done by professionals or people who are educated and hold high positions, but can be done by anyone. Innovation really depends on creativity and way of thinking. Currently, many companies provide special bonuses for their employees who can propose creative ideas

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to innovate and improve product quality and reduce production costs. In carrying out an innovation, there are several ways that must be considered. Here are some indicators of production innovation methods, including:

1. **Product development** New product development can be assigned to Product Innovation. In general, a new product goes through seven phases, starting with idea generation. After the idea generation phase, the idea must go through an analysis or screening phase. The idea then enters the stage of concept development and testing, preparation of market strategy, and product development. Furthermore, the product must go through the seventh stage, the market testing stage, before it can be marketed or commercialized.
2. **Improvement of existing products** This type of innovation is part of a continuous improvement process. There are several approaches that can be used to innovate in this field, one of which is the PDCA (Plan, Do, Check, Act) cycle. It applies the theory that small changes over time contribute to big changes in the future.

Definition of MSMEs

Based on what is stated in Law no. 20 of 2008 concerning micro, small and medium enterprises, the definition of MSME is a business operated by individual business actors, households, or small-scale business entities. Micro, small and medium enterprises (MSMEs) are one of the business sectors that has developed quite rapidly. One of the economic sectors where the majority of MSMEs are involved is the food and beverage industry.

The development of the food and beverage sector in society is generally inseparable from the increasing public interest in various types of processed food. Opportunities to invest in the MSME food sector are considered more promising, especially if the business location is around residential areas, offices, factories, schools or campuses. The attraction, in the form of the expectation of a sizable profit with a relatively small capital and relatively easy processing, is a compelling factor to enter into the food business.

MSME function

There are several functions of MSMEs that need to be known, including:

1. Respond appropriately to various community needs
2. Creating a more prosperous and equitable economic condition
3. **Opening new opportunities and jobs** Development of MSMEs through Social Media MSMEs have an important role in the Indonesian economy where in the post-crisis large companies experienced a collapse, but MSMEs were able to survive and become helpers and drivers of the Indonesian economy (Sudaryanto, 2012). In an effort to foster consumer interest in trying and buying MSME products, various effective marketing strategies are needed, one of which is promotional activities. Today, the activity of selling goods and services (direct selling) is not only carried out through conventional activities but can also be carried out via the internet or what is commonly referred to as E-Commerce.

Definition of Technology

According to the Big Indonesian Dictionary (KBBI), the word technology means a scientific method to achieve practical goals, applied science or all means to provide goods needed for the continuity and comfort of human life. Quoted from Encyclopaedia Britannica (2015), technology is the application of scientific knowledge for practical purposes in human life or in the change and manipulation of the human environment.

In developing a business, especially in the field of goods and services, technology plays an important role, especially in marketing the products of a business. Social media is one clear evidence of the development of technology which is currently growing rapidly. Through social media we can get information quickly. In fact, at this time people no longer need to spend a lot of energy to get a product. Simply by searching and buying it through the existing online shop features, people just have to wait for the desired item to arrive at their house. Therefore the development and use of technology plays an important role in marketing a product.

Types of Technology

1. Information Technology Information technology or IT is technology that makes it easier for humans to convey information to others quickly and precisely. This technology consists of the software and hardware needed to convey the information. Examples of information technology include; websites, television, radio, and so on.
2. Communication Technology Another type of technology is communication technology. This technology helps humans to communicate with each other using certain devices. This type of technology is perhaps the most felt at this time in human life. Examples of communication technology are e-mail, smartphones, short message applications.

Definition of Marketing

Marketing contains a broader meaning than just selling and advertising. Marketing is a set of principles for selecting target markets (target market), evaluating consumer needs, developing goods and services, satisfying wants, providing value to consumers and profits from the company.

According to H.T Gitosudarmo Marketing is a process so that entrepreneurs can fulfill, influence consumers so that they are interested, happy and then buy and finally satisfied with the product he bought.

Marketing technology

Technology and the internet are so advanced, marketing activities of course need to take advantage of technology and the internet which is far more profitable. This is because almost everyone in the world, especially in Indonesia, spends more time with gadgets, the latest technology, all of which are connected to the internet. To be able to implement digital marketing, all promotions will be directed to the use of social media, websites, e-commerce platforms, applications, and so on. Digital marketing is a marketing activity that uses techniques or uses digital media with the aim of getting data, markets and customers.

In general, digital marketing consists of five categories. Where each category is still interrelated with other categories. Here's a detailed explanation:

1. Search Engine Optimization (SEO)

Search engine optimization or abbreviated SEO is an attempt to optimize websites that are used for digital marketing so that these websites get good rankings on search engines like Google. When a website has a good ranking, it will be easier for internet users to find it when accessing Google search.

2. Search Engine Marketing (SEM)

Search engine marketing or abbreviated SEM has the same goal as SEO, which is to increase website visibility on Google search engine search results pages (SERPs). Sites or websites that are used as digital marketing tools will be easy to find on Google search pages if they have good rankings and are in accordance with SEO and SEM.

3. Content Marketing

When the digital marketing website has been optimized, the next step that needs to be taken is to create a content marketing strategy. Marketing content can be tailored to the product or service to be marketed. Digital marketing methods that are made must be relevant and consistent in order to be able to attract consumer interest. Content created for marketing needs to be tailored to a predetermined target market.

4. Social Media Marketing (SMM)

In the previous category, the appropriate content and target market have been determined. The next step is to determine which media will be used as a digital marketing tool. According to data from Market Force, 81% of purchasing decisions made by consumers are influenced by friends' social media posts. Currently, people tend to be attracted to something that is viral or is being talked about by many people. All social media can be used as a means of digital marketing while still paying attention to the audience characteristics of each social media, for example Instagram, Twitter, Facebook or YouTube. Each social media definitely has its own advantages and business people need to adapt it to the target market that is created.

4. Online Advertising

Business actors can also take advantage of advertising in online media that implements a Pay Per Click (PPC) system for digital marketing strategies. Through the five digital marketing categories above, it will provide many advantages for businesses in marketing their products in the digital world. Not only in attracting consumers, the implementation of the digital marketing strategy above can also help business actors to analyze market conditions (market research) and find out the development of consumer needs in a certain period of time.

RESEARCH METHOD

In this study the researchers used qualitative research methods. Qualitative research methods are methods based on post-positivism or entrepreneurship, used to study the condition of natural objects, where the researcher is the key tool, and data collection techniques are obtained in the form of qualitative data. This research was conducted at the central factory for making letek noodles located in Bendo Hamlet, Trimuri Village, Kapanewon Srandakan, Bantul.

In this study the authors used observation and interview techniques for data collection. In this study, the main subject that the researchers used was the letek noodle producer, Bantul, to be precise, the business owner who first produced the letek noodles. Researchers use the first producer of letek noodles as the main data source or primary data source aiming to obtain accurate information so that they can answer the problem formulation raised by the researcher. Besides that, researchers also obtained information using literature study techniques carried out through journals, articles, and several other sources of information via the internet. In this research, the data analysis techniques used by the authors are data reduction, data presentation, and conclusion drawing. This data analysis was carried out from before going to the field, while in the field, and after finishing from the field.

RESULT AND DISCUSSION

Mie Lethek is a traditional food made from organic origin from Bantul district, Yogyakarta. The name Lethek itself comes from the Javanese language which means "dull" according to the color of the noodles. The dull color is obtained from the raw materials for making noodles, namely from tapioca flour and cassava which are not dyed, causing a dull color in the noodles.

The Lethek Cap Garuda Noodle Factory was first produced and founded in 1940 by Hj.Umar Bisernahdi from Yemen, said Yassir Feri Ismatrada, who is the grandson of the founder and current owner of the factory. This factory operates on a home industry scale. The manufacturer of Lethek Cap Garuda Noodles initially had a target market, namely residents around Bendo Hamlet. Because this noodle was categorized as a new noodle at that time, the development of its market share spread very quickly and even became entrenched in Bantul Regency.

Production Innovation

The main ingredient for letek noodles is cassava. Cassava is easy to find around the production site.

Lethek noodle products are produced through several stages, including grinding the raw materials and then steaming them before stirring. This mixing process is very unique, because the mixing process is carried out by cattle. The next process is that the dough is printed using a press machine and steamed again for about two hours before being dried in the sun to dry. Drying for 8 hours, the noodles are packed with the brand Mie Garuda. Through the above steps, especially during the steaming stage which is carried out twice, the noodles can last for a period of one year. Innovations in making letek noodles have been carried out several times, in order to obtain the appropriate method and composition so that the quality of the noodles is maintained, so cassava is not necessarily made and marketed immediately. Customers or distributors are often asked to maintain the quality of the noodles.

The innovation in the manufacturing process that has been carried out is in the process of printing noodles which initially used a manual system and then replaced with a press machine. Based on information obtained from business owners, there are still many innovations in the production of letheK noodles that have not been realized due to a lack of finance.

Product Innovation

UMKM letheK cap garuda noodles also innovate both in terms of the manufacturing and packaging processes. In a packaging innovation that was originally sold in bulk using sacks, it was changed to 5 kg plastic packaging with paper stamps. However, many people imitated the Garuda stamp, and then came the innovation of plastic packaging with plastic screen printing. The next innovation plan is to add instant seasonings made from organic ingredients and pack them in smaller packages so they can be marketed like instant noodles. However, currently the Lethek noodle SMEs have not been able to meet the target market needs. Based on data from the letheK noodle business owner, in order to meet the market target, one production must be able to produce 3 tons of noodles or 600 packs of noodles. Whereas currently the factory is only able to produce 1 ton in one production.

Product innovation indicators

(a) Product quality

LetheK cap garuda noodles are processed in several stages from the process of mixing or stirring the ingredients to the packaging process. In the steaming process, letheK noodles are steamed twice so that this can produce noodles with a long shelf life, which can last up to one year.

(b) Product variants

As long as the letheK cap garuda noodles are operating, no noodle variants have been produced. However, the letheK noodles can compete because the letheK noodles have their own characteristics and can be categorized as quite healthy noodles. This is because letheK noodles are processed without the addition of other preservatives.

(c) Product style and design

Judging from the style and design of letheK noodle products, the existing style and design is on the packaging. Innovation in packaging from time to time is another way to add value to consumers. The style and design of the product is done with using packaging in the form of printed plastic or screen printing plastic.

Digital Marketing Strategy

In the digital marketing strategy, letheK noodles are marketed only through WhatsApp, YouTube, and news broadcasts conducted by local TV. Lethek noodles cannot be found in marketplaces such as Shopee, Tokopedia, and the like. The main reason is because Lethek noodle SMEs have not been able to meet market demand and if letheK noodles are marketed in all digital media networks and marketplaces, they must be able to proxy letheK noodles in

excess of market demand. This has not been able to be fulfilled by the UMKM letek noodles. So that until now letek noodles cannot be marketed outside the city and abroad.

CONCLUSION

Based on the formulation of the problem in this study, it can be concluded that in operational noodles letek there have been innovations carried out both in production and in product but can be categorized as not optimal. The resulting product has not been able to meet market demand, namely as much as 3 tons (600 packs). Meanwhile, the factory is only able to produce 1 ton (200 packs) of noodles in one production. The production innovation that was carried out was in the process of printing noodles which initially used a manual system and now uses a press machine. And also there is no oven for drying.

While product innovations were carried out only in packaging, which was originally sold in wholesale with sacks, changed to 5 kg packaging with plastic, then added paper stamps and now uses screen printing plastic. Then what has not been realized, based on the information obtained from the business owner, is that there are still many innovations in the production of letek noodles that cannot be carried out due to financial problems. Another innovation plan that has not been carried out is the addition of instant seasoning made from organic ingredients to letek noodles which in the future will be packaged like instant noodle products in general. Meanwhile, the marketing strategy through digital media is carried out by Mie Lethek UMKM, namely they have done some marketing through social media, but it has not been maximized. Marketing technology is carried out only through WhatsApp, Youtube and through local TV coverage. And the main reason for not realizing some of the innovation plans above is that the target market has not been achieved and also financial constraints.

Based on the results of the research and discussion, we provide suggestions that are expected to be useful for UMKM letek cap garuda noodles, Bantul, DIY. The suggestions that can be given are; Make arrangements in terms of production as well as marketing efficiently and effectively so that financial problems can be resolved so that other innovation plans can be realized and undoubtedly this Cap Garuda noodle letek product can penetrate national and international markets. For future researchers, it is hoped that it can help in production innovation that should be carried out by letek noodle SMEs. Thus letek noodles can be marketed according to targets and goals and can meet market demand.

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