

**CHALLENGES AND OPPORTUNITIES FOR SMEs IN DEVELOPING
MODERN CULINARY**

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KeywordsChallenges and
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This study analyzes the challenges and opportunities SMEs face in developing their culinary business in North Sumatra. The qualitative method used in this research involves interviews and observations of 15 participants who are SMEs in the culinary field. The study results show that SMEs in North Sumatra face several challenges in developing their culinary business. The main challenges faced are intense competition in the modern culinary industry, limited resources, and consumer changes. However, this research also found that there are opportunities that SMEs in North Sumatra can exploit. The main opportunities found are the developing tourism potential in this area, technology, and social media that are easy to use as promotional tools, and opportunities to work together and collaborate with other SMEs to develop modern culinary delights in North Sumatra. From this research, it is hoped that SMEs' courage, creativity, and ability to adapt to market changes will succeed in developing their culinary business in North Sumatra.

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**INTRODUCTION**

The development of the modern culinary industry in North Sumatra is one sector that has shown rapid growth in recent years (Bonita et al., 2023). This can be seen from the increase in the number of restaurants, cafes, and food stalls that serve food with modern and innovative concepts. Creative and innovative business actors create new menus combining traditional flavors with a modern touch, attracting people's interest in trying and enjoying local culinary delights. Apart from that, support from the government and related agencies in promoting the culinary industry also contributes to the growth of this sector. Promotion and branding efforts carried out by local governments and tourism institutions have resulted in an increased number of culinary tourists visiting North Sumatra. Apart from that, technological developments and social media also play an essential role in expanding the reach of promotions and introducing North Sumatran culinary delights to the national and international levels. With these various supporting factors, the development of the modern culinary industry in North Sumatra has bright prospects. It positively contributes to regional economic growth and the preservation of traditional culinary riches (Siregar et al., 2018).

The development of the modern culinary industry in North Sumatra offers traditional culinary delights and the emergence of a variety of modern culinary delights that attract the interest of local and foreign tourists (Intangible et al. of Indonesia, 2021). The development of the modern culinary industry in North Sumatra has created several culinary delights that attract tourists from within and outside the country. It maintains its traditional culinary delights, and North Sumatra serves various modern dishes that captivate the taste buds. More and more eateries, including restaurants, cafes, and food stalls, are introducing new concepts featuring inventive menus that combine traditional cuisine with a modern twist. Supporting the government and affiliated entities in promoting the culinary industry has effectively increased culinary tourism trips to North Sumatra (Simanjuntak, 2017). Technological advances and social media also play an essential role in expanding the reach of

promotions and introducing the culinary riches of North Sumatra to foreign countries. With all these factors, the emergence of modern culinary delights in North Sumatra has become an unmissable attraction for tourists.

Of course, the rapid development of the culinary industry provides excellent opportunities for Small and Medium Enterprises (SMEs) in Indonesia, including in North Sumatra. The increasing public interest in modern culinary opens up opportunities for SMEs to innovate and present unique culinary products that attract consumers' attention. With easier access through social media and online platforms, SMEs can expand their market reach and sell culinary products more effectively. Apart from that, the development of the culinary industry also encourages collaboration between SMEs and well-known restaurants or hotels. This allows SMEs to expand their business network and gain wider exposure. Thus, SMEs in North Sumatra greatly benefit from the development of the culinary industry, which opens up new opportunities and increases the potential for their business growth (Sitompul, 2023).

The importance of research conducted on challenges and opportunities for Small and Medium Enterprises (SMEs) in culinary development in North Sumatra is to participate in encouraging local economic growth. Because the analysis carried out can provide solutions to challenges and the utilization of new opportunities that arise. Modern North Sumatra culinary businesses can also help preserve and introduce local culture, so that various traditional foods can be recognized and enjoyed not only by local people. In addition, technological developments can also encourage innovation related to modern culinary in North Sumatra.

Apart from that, the culinary industry's development also positively impacts the local economy and creates new jobs. SMEs can absorb local workers to produce, market, and manage their culinary business. This provides employment opportunities for residents and reduces unemployment (Tanjung et al., 2023). Apart from that, SMEs also play a role in introducing regional culinary riches to tourists, increasing tourism visits and overall regional income. With the opportunities and support provided by the development of the culinary industry, SMEs in North Sumatra can develop their businesses and contribute to regional economic growth (Syahbudi & Ma, 2021).

However, despite the rapid development of the culinary industry, SMEs in the culinary sector still need to overcome challenges and opportunities to ensure the success of their business. Even though there are great opportunities in the culinary industry, SMEs must be ready to face increasingly fierce competition. They need to innovate, develop unique and exciting culinary products, and maintain quality and authenticity of taste in order to compete with prominent industry players. Besides that, SMEs must also pay attention to marketing and branding to reach a broader market. Utilizing social media and online platforms in this digital era is crucial to expanding a business's reach and attracting potential consumers' attention (Nugroho, 2023).

The novelty of this research is that it describes various challenges and solutions for SMEs and presents business development strategies related to technological developments. In addition, with the presentation of challenges and opportunities faced by SMEs, various solutions in facing these challenges are also explained.

Amid the rapid development of the culinary industry, SMEs in the culinary sector need to look at the various opportunities available and face various challenges wisely so that their business activities continue amidst intense competition. By observing the perceptions of SMEs, this article discusses the challenges and opportunities SMEs face in developing modern culinary delights in North Sumatra.

RESEARCH METHODS

This research uses a qualitative approach which aims to gain an in-depth understanding of the perceptions of SMEs regarding the challenges and opportunities related to the development of modern culinary in North Sumatra. Data obtained from interviews and observations were analyzed using a qualitative approach. The instruments used in this research include in-depth interviews with SMEs and participatory observation of

their activities. The research sample consisted of 15 culinary SMEs in North Sumatra. The data source for this research was obtained through purposive sample selection. The selection process is carried out by considering various types of culinary businesses and level of experience.

RESULTS AND DISCUSSION

Opportunities for SMEs in Developing Modern Culinary

The research results show that SMEs in North Sumatra have enormous opportunities to develop modern culinary delights related to tourism potential, technology, and social media through collaboration with other SMEs. In the context of tourism potential, North Sumatra. The results of this study are also supported by research conducted by Ariani et al (2022) which states that there is culinary potential that can be developed in supporting tourism villages. Mocaf production has been able to develop, although currently it is still constrained on the marketing side. It is expected to be an innovative local-based product as a village icon. Other research that is in line with this research is research conducted by Rahayu et al (2022) which states that culinary tourism has enormous potential to be developed and utilized, if managed professionally and neatly it can be a special attraction that can increase tourist interest in coming to visit culinary tourism and generate foreign exchange in the tourism sector. The existence of culinary tourism also plays a role in the development of the tourism industry.

It has a rich culture and natural beauty that attract tourists. With the development of modern culinary delights, SMEs can take advantage of this tourism potential to create unique and authentic tourist culinary experiences. The following are several positive opportunities for SMEs regarding the impact of modern culinary developments on increasing their income and business ideas:

Table 1 Opportunities for SMEs

Perception of Local Traders	P
" Modern culinary developments provide opportunities for us to explore local ingredients and create unique dishes with a touch of creativity "	P1
" We are happy to see the growing tourism potential thanks to the existence of modern culinary delights, which are able to attract tourists to try local dishes "	P2
" The development of technology and social media provides an effective platform for us as SMEs to promote their culinary products and reach a wider market "	P3
" Collaboration with other SMEs in the culinary industry provides opportunities to exchange experiences, share knowledge and create positive synergies in developing culinary businesses "	P4
" We believe that collaboration with other SMEs can provide mutually beneficial benefits, such as expanding customer networks and improving the quality of culinary products "	P5
" The development of modern culinary delights and collaboration with other SMEs opens up opportunities to create innovative and attractive culinary concepts for our customers "	P6
"We feel inspired by the collaboration with other SMEs in presenting creative dishes that cater to various tastes "	P7
" The development of modern culinary arts gives us the opportunity to reach a wider market and increase our business income "	P8
" We are happy to see the development of modern culinary delights which are increasingly appreciated by the public, and we are committed to continuing to improve the quality of our dishes "	P9
" We feel helped by the development of modern culinary because we can utilize technology and digital platforms to expand the reach and promotion of our business "	P10
" Modern culinary developments give us inspiration to continue looking for new innovations in creating dishes that will delight our customers' taste buds and eyes. "	P11
" We feel optimistic about the development of modern culinary delights and believe that this is the right time to develop our culinary business to become bigger and more successful "	P12
" Modern culinary developments give us the courage to be creative and present different and refreshing dishes for our customers "	P13
Technology and social media developments help us because they can expand our reach and increase the visibility of our culinary business.	P14

Perception of Local Traders	P
We are optimistic about the development of modern culinary and collaboration with other SMEs because this means there are many new opportunities that we can explore and take advantage of.	P15

Based on Table 1, there are fifteen opportunities for SMEs based on the perceptions of local traders. The fifteen opportunities include providing opportunities to explore local ingredients and create unique dishes with a touch of creativity, the potential for tourism continues to grow thanks to the existence of modern culinary that is able to attract tourists to try local dishes, The development of technology and social media provides an effective platform for SMEs to promote culinary products and reach a wider market, Collaboration with other SMEs in the culinary industry provides an opportunity to exchange experiences, Collaboration with other SMEs in the culinary industry provides an opportunity to exchange experiences, share knowledge and create positive synergies in developing the culinary business, collaboration with other SMEs can provide mutually beneficial benefits, such as expanding customer networks and improving the quality of culinary products, Modern culinary developments and collaboration with other SMEs open up opportunities to create innovative and attractive culinary concepts for customers, inspired by collaboration with other SMEs in serving creative dishes that meet a variety of tastes, the development of modern culinary arts gives us the opportunity to reach a wider market and increase business revenue, the development of modern culinary arts gives us the opportunity to reach a wider market and increase business revenue, happy to see the development of modern culinary is increasingly appreciated by the public, and we are committed to continuing to improve the quality of dishes, feel helped by modern culinary developments because it can utilize technology and digital platforms to expand business reach and promotion, modern culinary developments provide inspiration to continue to seek new innovations in creating dishes that can spoil the tongue and eyes of customers, feel optimistic about modern culinary developments and believe that this is the right time to develop a culinary business to be bigger and more successful, modern culinary developments give us the courage to be creative and serve different and refreshing dishes for customers, technological developments and social media help us because it can expand the reach and increase the visibility of the culinary business, and optimistic about modern culinary developments and collaboration with other SMEs because this means there are many new opportunities that can be explored and utilized.



Figure 2 Food stands of SME actors



Figure 3 Typical Medan Food Seller

However, there are also several challenges faced by SMEs in North Sumatra in developing modern culinary delights. One of the main challenges is intense competition in the culinary industry, limited resources, and changes in consumer tastes.

Based on the results of the interview, here are several challenges for SMEs regarding the impact of modern culinary developments on increasing their income and business ideas:

Table 2 Challenges of SMEs

Perception of Local Traders	P
" We face very tight competition in the modern culinary industry. Every SME player tries to create unique and attractive products so they can compete in a competitive market. "	P1
" Competitive challenges make us continue to innovate and look for ways to differentiate ourselves from other competitors. We strive to create unique culinary concepts and different experiences for customers "	P2
" Limited resources are an obstacle for us in developing our culinary business. We must manage capital wisely and look for creative solutions to overcome limited raw materials and labor. "	P3
" Even though we face limited resources, we are still enthusiastic about developing our culinary business. We believe that with creativity and perseverance, we can achieve success "	P4
" Changes in consumer tastes are a challenge that we must face. We must always follow trends and adapt our products to remain relevant to changing consumer tastes "	P5
" We always prioritize market research and understanding consumer needs and preferences. By understanding consumer tastes, we can provide products that suit their desires. "	P6
" The challenges of changing consumer tastes encourage us to continue to innovate and create new and attractive culinary products for customers "	P7
" We strive to remain flexible and adaptive to changing consumer tastes. We are always ready to change and improve our products to suit customer desires "	P8
" We are aware that consumer tastes are different and continue to evolve. Therefore, we continue to study trends and follow developments in the culinary industry "	P9
" We are committed to providing a satisfying culinary experience for customers. We strive to maintain the quality of our products so that they meet customer expectations. "	P10
" Competitive challenges, limited resources and changes in consumer tastes require us to have a mature and flexible strategy in managing our culinary business "	P11
" We continue to develop networks and collaborations with other SME players to support each other and overcome common challenges "	P12
" We share knowledge and experience with fellow SMEs to mutually strengthen and improve the quality of our culinary business "	P13
" The challenges we face do not make us give up, on the contrary, we are increasingly motivated to continue to develop and achieve success in our culinary business "	P14
" We believe that with the spirit of never giving up and the courage to face challenges, we can overcome obstacles and achieve success in developing modern culinary in this competitive era "	P15

Based on table 2, 15 SME challenges were obtained based on the perceptions of local traders, including facing very tight competition in the modern culinary industry. Every SME player tries to create unique and attractive products so they can compete in a competitive market, competitive challenges make the local traders continue to innovate and look for ways to differentiate from other competitors, limited resources are an obstacle for developing a culinary business, must manage capital wisely and find creative solutions to overcome limitations in raw materials and labor, remain passionate about developing the culinary business, must always follow trends and adjust our products to stay relevant to changes in consumer tastes, always prioritize market research and understand consumer needs and preferences, the challenges of changing consumer tastes encourage us to continue to innovate and create new and interesting culinary products for customers, strive to remain flexible and adaptive to changes in consumer tastes, must continue to study trends and keep abreast of developments in the culinary industry, strive to maintain product quality so as to meet customer expectations, competition challenges, limited resources and changes in consumer tastes require to have a mature and flexible strategy in managing the culinary business, need to continue to develop networks and collaboration with other SMEs to support each other and overcome challenges together, share knowledge and experience with fellow SMEs to strengthen each other and improve the quality of the culinary business, challenges make more motivated to continue to grow and achieve success in the culinary business, and must be able to overcome obstacles and achieve success in developing modern culinary in this competitive era.



Figure 4 Traditional Food Innovation with Modern Flavors



Figure 5 Innovation in Traditional Drinks with Modern Flavors

Even though there are many challenges in developing modern cuisine, SMEs in North Sumatra need courage, creativity, and perseverance to continue developing their culinary business. By maintaining product quality, continuously innovating, and taking advantage of existing opportunities, SMEs can overcome their challenges and succeed in developing modern culinary delights in North Sumatra.

The opportunities that exist for SMEs related to tourism potential are enormous. In this digital era, tourists are increasingly looking for unique and authentic culinary experiences when they visit an area. SMEs can take advantage of this opportunity by presenting unique culinary products that arouse the tastes of tourists.

Apart from that, developments in technology and social media also provide excellent opportunities for SMEs. With platforms like Instagram, Facebook, and YouTube, SMEs can easily promote their products and businesses to a broader audience. They can use social media to upload interesting photos of their culinary products, share recipes, or even hold contests and giveaways to attract consumer interest.

Other SMEs are also promising opportunities. By working together in collaboration or business networks, SMEs can mutually benefit each other. They can share ideas, experiences, and resources to overcome common challenges, such as intense competition and limited resources.

However, SMEs are also faced with several challenges. Intense competition in the modern culinary industry requires extra effort from SMEs to differentiate themselves from other competitors. They must continue innovating and creating unique and exciting culinary products to compete in this competitive market.

More resources, such as capital, raw materials, and labor, are also needed for SMEs to develop their culinary businesses. To overcome this challenge, SMEs must look for creative solutions, such as establishing partnerships with other parties or utilizing technology for operational efficiency.

Changes in consumer tastes are also a challenge that SMEs must pay attention to. Consumer tastes can change over time, and SMEs need to be able to keep up with trends and adapt their products quickly. This requires a good understanding of the market and customers and the ability to innovate and present culinary products that suit diverse consumer tastes.

In facing this challenge, SMEs need courage, creativity, and perseverance to continue developing their culinary business. By maintaining product quality, continuously innovating, collaborating with other SMEs, and taking advantage of existing opportunities, SMEs can overcome their challenges and succeed in developing modern culinary delights.

CONCLUSION

Based on the discussion above, SMEs have great opportunities to develop their businesses in tourism potential, technology, social media, and collaboration with other SMEs. This opportunity can be exploited by presenting distinctive and authentic culinary products to attract tourists seeking a unique culinary experience. The development of technology and social media also provides opportunities for SMEs to promote their products and businesses effectively to a broader audience. By utilizing platforms such as Instagram, Facebook, and YouTube, SMEs can upload interesting photos of their culinary products, share recipes, and carry out other promotional activities. Collaboration with other SMEs is also essential in facing common challenges, such as intense competition and limited resources. By working together, perpetrators. SMEs can mutually benefit each other by sharing ideas, resources, and experiences. This collaboration can help them overcome challenges and develop their culinary business better. However, SMEs are also faced with several challenges, such as intense competition, limited resources, and changes in consumer tastes. To overcome this challenge, SMEs must continue to innovate, look for creative solutions, and understand the market and customers well. By maintaining product quality, continuously innovating, and following trends and changes in consumer tastes, SMEs can face challenges better. Overall, SMEs have great potential to develop their culinary businesses by taking advantage of existing opportunities. With courage, creativity, and the ability to adapt, SMEs can achieve success in facing intense competition.

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