

## Research Article

# Development of MSMEs Potential Based on Pineapple Raw Materials in Prabumulih City

Ermanovida\*, Dwi Mirani, Sylvie Agustina, Aulia Utami Putri, and Zakiyah

Public Administration Department, Sriwijaya University, South Sumatra, Indonesia

## Abstract.

Micro, small, and medium enterprises (MSMEs) play a crucial role in supporting the economy. However, MSMEs still face several challenges, such as limitations in human resources, access to capital, technological knowledge, as well as marketing and infrastructure issues. In Prabumulih City, South Sumatra, MSMEs are developing rapidly across various sectors, including fashion, food, beverages, and handicrafts. Nevertheless, the lack of organization in MSME data in Prabumulih poses an obstacle to maximizing its potential, particularly concerning pineapples. Therefore, this research aims to elucidate and examine the development of MSME potential based on pineapple products in Prabumulih City. The methodology employed in this study is descriptive qualitative. The research findings indicate that the development of MSMEs based on local products such as pineapples should be a primary focus for the Prabumulih City government. Various innovations, such as utilizing pineapple fibers and product diversification based on pineapples, have been implemented to enhance competitiveness in both local and national markets. However, challenges related to MSME data management and the use of marketing technology remains underutilized or insufficiently adopted. Consequently, the integration of MSME data and further support in the application of digital technology are essential to strengthen the position of MSMEs in the market.

**Keywords:** economic, development, governance, MSMEs, pineapple-based product

## 1. Introduction

Micro, Small and Medium Enterprise (MSME) play a crucial role in the economy of every region, both in urban and rural contexts. Each region possesses unique geographical, social, and economic characteristics that influence the dynamics of MSMEs within that region. Following the economic crisis of 1998, the number of MSMEs in Indonesia did not decline; rather, it increased, managing to absorb between 85 million and 107 million workers by 2012. In that year, the total number of business actors in Indonesia reached 56,534,591 units [1]. However, MSMEs in Indonesia still face significant challenges, including limitations in human resources, inadequate guidance and training, limited technological knowledge, access to capital, low management capabilities, insufficient infrastructure, difficulties in obtaining raw materials, challenges in acquiring business

Corresponding Author:

Ermanovida; email:

ermanovida@fisip.unsri.ac.id

**Published:** 18 February 2025

Publishing services provided by  
Knowledge E

© Ermanovida et al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the 2024 AAPA-EROPA-AGPA-IAPA Joint Conference Committee.



licenses or legal entities, and constraints in marketing [2] Therefore, the government continues to strive to promote the development of MSMEs in order to boost economic growth and maximize their potential.

Micro, Small, and Medium Enterprises (MSMEs) are vital for enhancing the economy of society as they have the capacity to reduce the disparity between the wealthy and the poor. The Ministry of Cooperatives and SMEs manages a platform for SMEs and cooperatives, reflecting the government's commitment to the role and existence of MSME entrepreneurs. This special attention is given to MSME entrepreneurs due to their ability to elevate the living standards of lower-income communities and foster overall societal welfare. Moreover, MSMEs play an essential role in small community life by: a. alleviating poverty, b. equalizing the economy for small-scale citizens, and c. generating foreign exchange for the country.

Prabumulih is a city located in South Sumatra Province, Indonesia. Previously, Prabumulih held the status of an administrative city within the parent district of Muara Enim, based on Government Regulation of the Republic of Indonesia Number 18 of 1982. According to Law Number 6 of 2001 dated June 21, 2001, concerning the Establishment of Prabumulih City, its status has been elevated to that of a city. Geographically, this city is situated between 3°20'09.1" – 3°34'24.7" south latitude and 104°07'50.4" – 104°19'41.6" east longitude, covering an area of 434.46 km<sup>2</sup>.

To ensure accountability for the success or failure of organizational missions in achieving established goals and objectives, it is essential to support this with a reliable Local Government Organization. In this context, the Research and Development Agency of Prabumulih City has been established based on Regional Regulation Number 8 of 2016 concerning the Formation and Structure of Local Government of Prabumulih City and Mayor Regulation Number 44 of 2016 regarding Organizational Structure. This includes responsibilities related to the management of MSMEs.

Micro, Small, and Medium Enterprises (MSMEs) are forms of productive economic activities conducted by individuals or sole proprietorships that meet the criteria for MSMEs. MSMEs play a crucial role in the Research and Development Agency of Prabumulih City, hereafter referred to as BALITBANG. This agency serves as a technical institution supporting the local government, led by a Head of the Agency who is accountable to the Mayor through the Regional Secretary of Prabumulih City. However, the presence of MSMEs in Prabumulih City has not been accompanied by effective data management. Despite the abundance of information, the Research and Development

Agency has not yet provided comprehensive data, leading to a lack of awareness among the community regarding the locations of MSMEs, which in turn hampers business growth in the surrounding areas [3]. Therefore, there is a pressing need for integrated data organization. Based on preliminary data obtained from BALITBANG indicates that MSMEs in Prabumulih City are diverse, spanning various sectors including fashion, food, beverages, and handicrafts. According to a study conducted by the Public Administration Laboratory at FISIP UNSRI titled “*Strengthening the MSME Database Through Mapping Based on Type and Location of Businesses in Prabumulih City*,” conducted in 2023 in collaboration with BALITBANGDA of Prabumulih City, the mapping results of business locations in Prabumulih City are as follows:

TABLE 1: Business Locations Mapping In Prabumulih.

District	Business Sector							Total
	Agri culture	Farming	Fisheries	Industry	Trade	Services	Uncategorized	
Cambai	18	12	8	19	611	82	3	753
Prabumulih Barat	6	25	2	15	528	82	2	660
Prabumulih Selatan	4	18	9	98	467	83	5	684
Prabumulih Timur	24	22	39	136	2539	416	5	3181
Prabumulih Utara	3	2	2	19	534	59	1	620
Rambang Kapak Tengah	0	3	0	2	191	32	0	228

Source: obtained from Dinas Koperasi dan UMKM Prabumulih, 2023

Business development encompasses various efforts aimed at improving current and future employment by providing information, enhancing attitudes, and developing skills. Specifically, the development of culinary enterprises involves initiatives undertaken by the government, both in the business sector and within the community, through guidance and assistance to cultivate and enhance the capabilities of small businesses, enabling them to become resilient and self-sufficient in their respective culinary endeavors [4].

To foster such development, the government of Prabumulih City must diversify its focus rather than remain fixed in a single area. For instance, the government should promote businesses in the crafts sector and food products made from pineapples. Currently, there are 34 enterprises related to pineapple-based products.

TABLE 2: Business Utilizing Pineapple as the Primary Ingredient.

No.	Owner Name	Address	Types of Product & Business	Business Brand
1.	MA/GU	Prabumulih Selatan	Wajik Nanas/ Permen Jelly Nanas/ Sus Nanas/ Dodol Nanas/Bolu Lapis Nanas/Keripik Nanas	Melati
2.	IS	Prabumulih Selatan	Wajik coklat nanas	Onos
3.	SM	Sukajadi	Dodol Nanas	Elok
4.	LA	Sukajadi	Pangsit Nanas	Cindo
5.	JU	Jl.Melati	Selai Nanas	-
6.	RE	Prabumulih Timur	Sambal Nanas	Devati
7.	ZA	Cambai	Semprong Nanas	Mak Uba
8.	MAR	Prabumulih Timur	Asinan nanas & kerajinan tas tali kur	Mom Yati
9.	LES	Prabumulih Timur	Stik Keju Nanas	Mbak Lesti
10.	TG	Prabumulih Selatan	Kerupuk Tulang Nanas	Camilan Prabu
11.	RM	Gunung Ibul	Bolu Lapis Nanas	Rose Cake
12.	NS	Prabumulih Timur	Bolu Gulung Nanas	Nova Cake
13.	AUK	Gunung Ibul	Bolu Gulung Dan Lapis Nanas	Toko Kue Gia
14.	MA	Gunung Ibui	Bolu Gulung dan Lapis Nanas	Toko Kue Darrel
15.	HE	Prabumulih Timur	Bolu Lapis Nanas & Nastar	Dapur Eda
16.	WA	Prabumulih Barat	Bolu Lapis Nanas	Dapur Boenda
17.	AS	Prabumulih Timur	Bolu Lapis Nanas	Cha-cha
18.	AT	Prabumulih Timur	Bolu Lapis Nanas, Bolu Gulung Nanas, Nastar	Athata
19.	EL	Jl. Mentawai	Lapis Nanas	Eva Cake & Cookies
20.	KK	Muara Dua	Sirup Nanas	Koperasi Kossuma
21.	KM	Prabumulih Timur	Produksi Serat Nanas	Koperasi Miwa
22.	MWP	Wonosari	Bolu Nanas	D'Mitri Cake & Patisserie
23.	V	Prabumulih Utara	Bolu Lapis Nanas	Vera Cake & Cookies
24.	MK	Cambai	Bolu Gulung Nanas	-
25.	IN	Rambang Kapak Tengah	Minuman Nanas Campur Sereh	Nacare
26.	TE	Prabumulih Timur	Sirup Nanas	-
27.	UP2K	Prabumulih Timur	Minuman Nanas Campur Serai	Cinarai
28.	GK	Prabumulih Timur	Nastar	Gerai Kana
29.	YUL	Prabumulih Timur	Kain Jumputan Menggunakan Pewarna Limbah Nanas	-
30.	RI	Prabumulih Timur	Kain Tenun Serat Nanas	Rita Songket
31.	IST	Prabumulih Timur	Kerajinan Khas Tas Serut Nanas	-
32.	EA	Prabumulih Timur	Kerajinan Sandal dari Serat Nanas	-
33.	RE	Cambai	Kerajinan Tas Serat Nanas	-
34.	API	Prabumulih Timur	Bolu Nanas	Indillah Kitchen

Source: obtained from Dinas Koperasi dan UMKM Prabumulih, 2023

Based on the explanation provided in the background, understanding the objectives of the research and the formulation of research questions is crucial. In conducting effective research, it is essential for researchers to pose research questions that analyze several aspects necessary for the study [5] Therefore, this research will address two formulated problems: 1. How can the potential of pineapple-based MSMEs in Prabumulih City be developed?; 2. What factors influence the development of pineapple-based businesses among MSMEs in Prabumulih City?

## 2. Methods

This study employs a qualitative methodology as its research procedure. Mulyana (2008) describes qualitative research as a scientific method aimed at elucidating a phenomenon by thoroughly describing data and facts through words concerning the research subjects. Qualitative research methods represent an approach that constructs knowledge statements based on a constructivist perspective, wherein meaning is derived from individual experiences [6].

The research is conducted in the city of Prabumulih, South Sumatra Province, focusing on six districts. Among these districts, observations will be made in those that exhibit types and locations of businesses with development potential, thereby positioning Prabumulih as a city with distinctive micro, small, and medium enterprises (MSMEs) centered around pineapple products. This initiative aims to attract local, national, and international tourists while preserving and empowering unique characteristics that are increasingly rare. Data analysis involves collecting qualitative data. This data is gathered as an open narrative without attempting to match phenomena to pre-established standard categories, such as those found in questionnaire responses. Qualitative data takes the form of written descriptions of observable human behavior ([7]

## 3. Results and Discussion

### 3.1. Upstream or Downstream expansion Business Development Direction

The Head of BALITBANGDA Prabumulih City (H. Matnur Lattif, ST, M.Si) stated that the primary objective of business development in Prabumulih City is to ensure that products from small and medium-sized enterprises (SMEs), particularly those made from

pineapple, gain widespread recognition both domestically and internationally. The city government aims to ensure that the potential of these local products is acknowledged by a broader market, which will not only enhance regional income but also open opportunities for the export of SME products.

The business development efforts undertaken by SMEs in Prabumulih City are directed in accordance with the strategies of the relevant departments. For instance, the Department of Cooperatives and SMEs is responsible for mentoring and training SME practitioners to equip them with the necessary skills and capabilities to compete and grow in line with contemporary demands. One concrete step taken is the provision of an E-Catalog platform, designed to serve as a promotional medium for SME products in the city. The strategy employed by SMEs in Prabumulih to support business development includes innovating products based on pineapple. In addition to using pineapple as a food ingredient, innovations have been made by utilizing pineapple leaves to produce pineapple fiber threads, which can then be used as raw materials for making shoes or other textile products. This innovation not only adds value to local products but also provides alternative avenues for broader business diversification.

Based on interviews with several SME representatives, Ms. Latifah (Cindo Pangsit Nanas) indicated that the primary goal of her business development is to increase income and expand daily activities. Although her business has begun to explore markets outside Prabumulih City, she still faces challenges in extending her reach to interprovincial markets. The marketing strategy she employs is limited to social media platforms such as Facebook and WhatsApp, without any further steps to utilize more extensive digital marketing platforms. Ms. Jumairah (Pineapple Jam Business) also expressed that her business development direction focuses on increasing income and daily activities. Unlike Ms. Latifah, Ms. Jumairah's business reach remains confined to the vicinity of Prabumulih City. She has not implemented significant innovations in her marketing strategy and relies solely on word-of-mouth promotion and WhatsApp, without leveraging more advanced social media or marketing technologies. Ms. Arna (Cha-Cha Business) started her venture in 2019 by selling cakes door-to-door. After recognizing market potential, she decided to expand her business by producing layered pineapple cake. Currently, she focuses sales from her home and has begun utilizing social media platforms such as WhatsApp and Facebook to reach a wider customer base. Additionally, she has placed her products in various stores throughout Prabumulih. Although her business has grown to a national scale, Ms. Arna has yet to use the E-Catalog due to a lack of confidence in competing with larger enterprises. Ms. Mira

began her business in 2017 by selling ice cream as a hobby. However, over time, she transitioned to producing rolled pineapple cake, which has garnered more customer interest. Now, Ms. Mira concentrates on making rolled pineapple cake, and despite using social media platforms like Facebook and WhatsApp for marketing, she has not utilized the E-Catalog due to a lack of understanding of how to use it. Furthermore, she struggles to balance her time between managing her business, working, and taking care of her family. Mrs. Respati (Devati Snack Business) stated that her enterprise was initially established as a means to channel her hobby, which has since evolved into a stable and progressively developing business over the years. Mrs. Respati's products are created solely based on customer demand or orders. She mentioned that there are no specific strategies for packaging her products; everything is still done manually, as her business is merely a hobby or a side venture.

Mrs. Reni (Pineapple Fiber Crafts Business) expressed that her business was formed to channel her hobby while also assisting housewives in her neighborhood. The development direction aims for national-scale products, with aspirations to become a supplier of crafts to cities such as Bali, Yogyakarta, and Jakarta. She actively engages in introducing her products to relevant parties and conducts online marketing through WhatsApp, Facebook, and various social media platforms. Mr. Indarqo (Nasereh Pineapple Lemongrass Beverage) stated that his venture is a hobby pursued alongside his wife. Furthermore, the development of his business aligns with their economic interests. His strategy focuses on the goals and interests of the business. Mrs. Rita (Pineapple Fiber Crafts) indicated that the expansion of her business continues to develop despite various limitations, leading her to focus on fabric-based products made from pineapple fiber, which will eventually be diversified into various other products. Mrs. Rita emphasized that her strategy must keep pace with contemporary developments; however, she believes that enhancing product quality, particularly in marketing, is crucial—without effective marketing, it is challenging for her business to grow. Miwa Cooperative (Pineapple Fiber Production) was established in response to the economic downturn and lockdown policies due to COVID-19. The cooperative initiated efforts to utilize pineapple leaf waste into useful products, recognizing that Prabumulih has abundant pineapple resources that should not go to waste. Their goal is to position Prabumulih as a center for pineapple fiber with characteristics that are stronger, smoother, and distinct from pineapple fiber in other regions. To expand their reach, the cooperative continuously engages in innovation and collaborates with various stakeholders. Currently, they have developed pineapple fiber fabric, woven pineapple leaf sandals, bags, and

other products. However, due to limitations in production equipment, finished products are still produced in limited quantities. Their strategies include participating in training sessions and exhibitions, which enhance product appeal among residents both within and outside Prabumulih. Through these efforts, the cooperative hopes to increase awareness of pineapple fiber products.

The Department of SMEs and Cooperatives stated that the direction of business development in Prabumulih City is primarily focused on developing products based on pineapple, including food items such as processed pineapple cakes, sponge cakes, chips, dumplings, beverage preparations, as well as crafts made from pineapple fiber like woven songket from pineapple fiber thread. Additionally, to foster the economic growth of existing entrepreneurs, the Department of SMEs and Cooperatives plays a role in supporting businesses by providing guidance to entrepreneurs.

### **3.2. Business Positioning**

Micro, Small, and Medium Enterprises (MSMEs) in Prabumulih City have established a relatively stable business position. This stability is attributed to the significant attention from the city government towards MSMEs as a vital pillar in supporting the local economy. The programs implemented by the government, including those by previous mayors, strongly support the sustainability of MSME operations, particularly in the development of products based on pineapple. Relevant parties, such as the Department of Cooperatives and MSMEs, maintain the stability of MSME operations by providing regular training and guidance. These training sessions aim to encourage MSME actors to continue innovating in the development of their products, especially those made from pineapple. Additionally, support is provided through assistance programs for business tools such as display cases and other equipment, which are part of the initiatives from previous mayors. This assistance not only facilitates business operations but also strengthens the presence of MSMEs in the local market.

Based on interviews with several MSME representatives, Mrs. Latifah (Cindo Pineapple Dumpling Business) explained that her business position is stable. Although it relies solely on incoming orders, her enterprise consistently generates output. Relevant parties help maintain Mrs. Latifah's business position by continuously introducing her products through her close network, which then places direct orders with her. With this strategy, albeit simple, her business continues to operate steadily. Mrs. Jumairah (Pineapple Jam Business) faces challenges as her business position is currently less



stable. Her enterprise has experienced a significant decline compared to the previous year. To maintain her business position, relevant parties also assist in introducing her products through her close contacts; however, the decline indicates a need for greater efforts to strengthen Mrs. Jumairah's business position to regain stability. Mrs. Mira has not utilized the E-Catalog due to her lack of understanding of how to use it. Instead, she leverages social media platforms such as Facebook and WhatsApp to market her products. However, her marketing activities on Facebook remain limited as she must balance her time between managing her business, working, and taking care of her family. This indicates that while her business continues to operate, her marketing efforts have not reached their full potential, suggesting that her position may not yet be fully stable. Mrs. Arna (Cha-Cha Business) is expanding her enterprise by introducing a new product: layered pineapple cake. Initially, she sold her products door-to-door; however, she now focuses on sales from home and has begun utilizing social media platforms like WhatsApp and Facebook to broaden her market reach. Additionally, Mrs. Arna consigns her products at various stores in Prabumulih, which helps expand her market on a national scale. Nevertheless, she has not yet adopted the E-Catalog due to a lack of confidence in competing with larger businesses. Mrs. Respati (Devati Snack Business) stated that her enterprise has been operating steadily from year to year with significant development. She regularly engages in online marketing through WhatsApp as well as offline marketing through exhibitions. Mrs. Reni (Pineapple Fiber Crafts) indicated that her business has been stable year after year and has developed significantly. She consistently markets her products both online and offline and frequently participates in seminars, having attended more than 10-12 sessions. Mr. Indarqo (Pineapple Lemongrass Beverage) mentioned that his business is relatively stable because his pineapple lemongrass beverage is only produced upon receiving orders, thus ensuring consistent demand. Mrs. Rita (Pineapple Fiber Crafts) stated that her enterprise has been stable since its inception, focusing on business development and marketing processes to ensure stability. Miwa Cooperative (Pineapple Fiber Crafts) reports that their venture, initiated in 2019, began to experience significant growth in 2020. They have managed to sustain their business and have even improved over time. To maintain production stability, they continuously monitor their pineapple plants, which serve as the primary raw material for pineapple fiber. Through this approach, they aim to ensure the sustainability and quality of their products.

The Department of Small and Medium Enterprises (SMEs) and Cooperatives has stated that most businesses in Prabumulih City are relatively stable. However, smaller

enterprises that are newly established sometimes face instability, such as breakfast vendors and others. In contrast, several businesses that have already stabilized and expanded, such as Darel, report a consistent monthly income of approximately 10 million rupiah.

### 3.3. Product Development Based on Demand in Prabumulih City

The Head of the Research and Development Agency of Prabumulih City (H. Matnur Lattif, ST, M.Si) stated that the products of Micro, Small, and Medium Enterprises (MSMEs) in Prabumulih City have been developed in accordance with market demand. For instance, there has recently been a request from abroad for a supply of pineapple leaves amounting to nearly 1 ton, although currently, MSMEs can only provide around 200 kg. This demonstrates the responsiveness of MSME actors to market needs, despite existing limitations in production capacity. The main products developed by MSMEs in Prabumulih City, particularly those based on pineapples, include pineapple cake, pineapple jam, and various other processed products. Among these products, pineapple cake is the most favored by the community. This product has become popular as it is often purchased as a souvenir. The appeal of pineapple cake lies in its sweetness and the quality of pineapples that are renowned in Prabumulih. Pineapples from this region are known for their distinctive taste, making them highly appreciated when processed into food items such as cakes.

This success highlights the significant potential of pineapple-based products for further development and marketing. Based on interviews with several MSME representatives, Mrs. Latifah (Cindo Pangsit Pineapple Business) stated that her MSME products have been developed according to customer demand. She consistently strives to fulfill incoming orders, especially for snacks and chips made from pineapples, which are her primary products. Items like pineapple chips and sweet potato chips are particularly popular among the community, especially as typical souvenirs from Prabumulih. The advantage of her pineapple chips lies in their favorable taste as a light snack and their appeal as a local souvenir. Mrs. Latifah prioritizes production based on seasonal availability and customer demand to ensure that products do not go to waste. Mrs. Jumairah (Pineapple Jam Business) also develops her products based on customer requests. She produces pineapple jam and chips only when there are orders, aiming to minimize the risk of unsold products. The main products she develops are pineapple jam and chips. Mrs. Jumairah's homemade pineapple jam is highly sought after by

the community due to its use of premium raw materials and its attractive color. This product is also frequently consumed as a snack, with its quality ingredients serving as a key attraction. Mrs. Mira focuses on producing rolled pineapple cake, which is also developed based on customer demand. However, in marketing her products, Mrs. Mira has not yet utilized the E-Catalog due to her lack of understanding regarding its use. She relies more on traditional marketing methods she is familiar with, such as social media. Although she has not yet adopted broader digital marketing platforms, Mrs. Mira continues to strive to maintain customer loyalty by fulfilling existing product requests. Mrs. Arna (Cha-Cha Business) began developing her products by introducing layered pineapple cake as a new offering. Unlike the initial phase of her business, which relied on door-to-door sales, Mrs. Arna now utilizes social media platforms such as WhatsApp and Facebook to reach a wider customer base. She also places her products in several stores in Prabumulih. Despite her business expanding to a national scale, Mrs. Arna has not used the E-Catalog due to a lack of confidence in competing with larger enterprises. Her decision to continue focusing on sales through local stores and social media has helped expand the market for her layered pineapple cake. Mrs. Respati (Devati Snack Business) stated that she consistently strives to meet customer demand. Her business sells pineapple sambal and various pineapple-based pastries. Notably, pastries are the most frequently ordered products for large events, making them highly sought after due to their significance for event organizers, thus presenting substantial opportunities. Mrs. Reni (Pineapple Fiber Crafts) always provides her products based on customer requests. According to her, pineapple fiber crafts are particularly popular among the community, especially products made from pineapple fiber thread, such as sandals, bags, and other items. In Prabumulih City, she also noted that pineapple fiber crafts are in high demand as souvenirs in hotels and other events. Mr. Indarqo (Pineapple Lemongrass Beverage) indicated that his business aligns with customer demand since he only produces orders based on requests. Additionally, he collaborates with several government agencies that support his business. Occasionally, during events organized by these agencies, they order lemongrass beverages from him, which further supports his enterprise. Mrs. Rita (Pineapple Fiber Crafts) mentioned that she will continue to fulfill consumer orders, despite often facing challenges during the fulfillment process. Her business focuses on producing songket fabric from pineapple fiber, which is then transformed into wearable items such as clothing and songket. According to Mrs. Rita, the most popular craft is fabric made from pineapple fiber; moreover, her business also produces songket. The Miwa Cooperative (Pineapple Fiber Crafts) stated that their

business can currently meet consumer demand on a certain scale. However, due to the popularity of their products abroad, large-scale orders are still limited because of production equipment constraints. Their main product is pineapple fiber, which is used for fabrics, bags, sandals, and more. Pineapple fiber thread is particularly favored, as many MSMEs utilize it for various creations. The strong, smooth, and flexible quality of pineapple fiber is the primary reason producers choose their products.

The Department of SMEs and Cooperatives stated that some businesses are able to meet demand effectively due to having employees, while others still struggle to fulfill requests due to the complexity of production, particularly for crafts made from pineapple fiber such as songket, clothing, bags, and shoes, which require a considerable amount of time to produce. Based on the results of these interviews, it can be concluded that pineapple-based products have been developed in response to market demand. Despite limitations in human resources, technology, and marketing, MSME actors continue to make various efforts to achieve product stability.

## 4. Diversification of Data

### 4.1. Business Development Across Various Sectors

The Head of the Research and Development Agency of Prabumulih City (H. Matnur Lattif, ST, M.Si) conveyed that business development in Prabumulih City has extended into various sectors. Initially, pineapple products focused solely on food processing; however, they have now diversified into other products, such as yarn made from pineapple fiber. Efforts by relevant parties to develop this variety of business types include assistance with licensing, coaching, training, and the provision of tools and equipment as part of city government programs.

Based on interviews with several representatives from SMEs, the first is Mrs. Latifah (Cindo Pineapple Dumpling Business), who has successfully expanded her business into various product types since 2011, ranging from snacks to pineapple chips and cassava chips marketed in Palembang and Baturaja. This development is supported by SME training and the introduction of her products through her close network. Secondly, Mrs. Jumairah (Pineapple Jam Business) started her business in 2014 and has expanded from producing pineapple jam to cassava chips and pineapple chips. She continues to participate in SME training for her business development and introduces her products to her close contacts. Thirdly, Mrs. Mira began her ice cream business in 2017; however,

in 2020, she shifted her focus to producing pineapple roll cake due to its popularity. She has not yet utilized the E-Catalog but leverages social media platforms such as Facebook and WhatsApp for marketing. Fourthly, Mrs. Arna (Cha-Cha Business) started her venture in 2019 by selling cakes door-to-door and introduced layered pineapple cake in 2020. This cake has now become iconic and is marketed beyond South Sumatra through social media and stores in Prabumulih, although she has not yet adopted the E-Catalog. Mrs. Respati (Devati Snack Business) has become a part of the Corporate Social Responsibility (CSR) program of PT Pertamina, actively participating in seminars and exhibitions held by the company. Mrs. Reni (Pineapple Fiber Crafts) has been running her business for seven generations and has experienced significant growth, even receiving visits from individuals from America. According to Mrs. Reni, there are seven variations of her products, including pineapple jam, pineapple syrup, crafts made from pineapple fiber, and yarn derived from pineapple fiber. Mr. Indarqo (Nasareh Beverages) mentioned that there is currently a focus on developing products or crafts made from pineapples in Prabumulih City, ranging from food items to crafts made from pineapple fiber. He noted that the most prominent product in Prabumulih City is Pineapple Cake, which is frequently ordered as a souvenir and serves as an icon of the city. Pineapples are highly sought after in Prabumulih City due to the abundance of the fruit, especially during holidays or celebrations; he stated that pineapples are the easiest fruit to find in Prabumulih. Mrs. Rita (Pineapple Fiber Crafts) indicated that her business currently focuses on fabric made from pineapple fiber, which is processed into songket, clothing, bags, and other items. She also mentioned that she has not yet developed further ideas, as she is still working with existing products.

The Department of Small and Medium Enterprises (SMEs) and Cooperatives stated that businesses in Prabumulih City are focused on the development of pineapple fiber and processed pineapple products. This initiative aims to effectively brand the city, as Prabumulih is known as the Pineapple City.

#### **4.2. Development Based on Material Sources, Market, and Other Technologies**

The Head of the Research and Development Agency of Prabumulih City (H. Matnur Lattif, ST, M.Si) conveyed that regarding the sufficiency of material resources, local needs for raw materials for pineapple products are being met. However, fulfilling supply demands for international markets is often hindered by the quantity of pineapple production. To

enhance raw material supply, several pineapple farmers have innovated by applying pollination techniques that can accelerate the fruiting process, although this may result in lower quality yields. The developments undertaken also take market needs into account, as evidenced by the existence of an E-Catalog that encourages entrepreneurs to produce more pineapple-based products. To identify trending products in the market, monitoring sales in the E-Catalog and observing available items at souvenir centers in Prabumulih are recommended. Furthermore, business development is aligned with technological advancements, where the SMEs department actively conducts training and mentoring on product innovation and packaging. The introduction of vacuum machines has allowed previously perishable products to have an extended shelf life. New technologies supporting SME development include the use of social media for product marketing. However, challenges arise particularly for individuals over 35 years old, who tend to be less responsive to technological advancements. Relevant parties are striving to introduce new technologies to SMEs through training and mentoring organized by the cooperatives and SMEs department.

Based on interviews conducted with several parties involved in small and medium enterprises (SMEs), the following insights were gathered: First, Mrs. Latifah (Cindo Pineapple Dumpling Business) has developed her business with consideration for the sufficiency of raw materials, particularly since her main ingredient, pineapple, is seasonal. This affects both pricing and supply. Although her business has adapted to market demand, Mrs. Latifah has yet to establish a method for determining specific market trends, as she only produces upon receiving orders. In terms of technology, she relies on social media platforms such as Facebook and WhatsApp; however, she faces challenges in understanding technology and finds it difficult to attend the training or workshops provided. Second, Mrs. Jumairah (Pineapple Jam Business) also depends on seasonal raw material supplies, especially for the production of pineapple jam and chips. Supply costs can be high during off-seasons, leading to increased selling prices. Similar to Mrs. Latifah, Mrs. Jumairah has not fully grasped market trends and continues to rely on orders. Her use of new technology is also limited to Facebook and WhatsApp, and she struggles to master these technologies. Training and workshops offered by relevant parties are steps being taken to address technological issues. Third, Mrs. Mira expanded her business from ice cream to producing pineapple roll cakes in 2020, responding to a greater market demand for roll cakes. However, she has not yet utilized the E-Catalog due to a lack of knowledge. Her marketing efforts remain confined to social media platforms like Facebook and WhatsApp, where her commitments to family and

business make it difficult for her to keep up with technological advancements. Fourth, Mrs. Arna (Cha-Cha Business) has seen her market expand beyond South Sumatra, although she has not yet adopted the E-Catalog. In terms of technology, Mrs. Arna primarily relies on social media platforms such as WhatsApp and Facebook, as well as placing her products in various stores. A lack of self-confidence poses a significant barrier to utilizing more advanced digital marketing platforms, despite her business having reached a national scale. Mrs. Respati (Devati Snack Business) has developed her enterprise based on the sufficiency of material resources or raw materials produced. She sorts the market and collaborates with relevant parties to ensure raw material supply. Her business does not follow existing trends within society but merely meets demand. Mrs. Reni (Pineapple Fiber Crafts) stated that her business aligns with the development of material resources or raw materials produced. She ensures sufficient supply by ordering directly from factories, and her business development is consistent with market integrity. Mrs. Reni mentioned that she references trending products from social media platforms such as Instagram, TikTok, and Shopee. Typically, she combines materials to create new craft products. Mrs. Reni emphasized that failing to keep up with current trends would lead to a decline in her business. Her primary focus is on creating crafts that are often used as souvenirs, necessitating continuous innovation to attract interest. The technologies employed by her business include TikTok Shop and Shopee. As an SME practitioner, Mrs. Reni has taken the initiative to adapt to technological advancements, indicating that these adaptations are driven by her own initiative. Mr. Indarqo (Nasareh Beverages) mentioned the development of his product's material sources by purchasing raw materials from suppliers. This not only facilitates operations but also provides reasonably affordable prices due to his established subscription. Mr. Indarqo is also part of a WhatsApp group with other business operators, which aids in marketing his products. His business activities remain manual, with all production processes conducted without any technological assistance, from juicing to processing the products. Mrs. Rita (Pineapple Fiber Crafts) stated that her business has sufficient materials to produce pineapple fiber-based products, which are purchased directly from farmers. Market demand is quite high; however, growth has been slow due to limited human resources. She maintains a manual production method using traditional weaving tools, while marketing efforts have adapted to current technologies through gadgets and marketplaces. Despite challenges in adapting to new technologies, her business actively seeks to learn and participates in government socialization efforts, such as E-Catalog initiatives, to enhance its capabilities. The Miwa Cooperative (Pineapple Fiber



Crafts) indicated that their current focus is on maintaining the availability of pineapple fiber thread. However, they are also attempting product innovations, such as creating bags, sandals, fabrics, and more. Their efforts include seeking innovative ideas and collaborating with external parties to obtain production machinery, thereby improving both capacity and product quality.

The Small and Medium Enterprises (SME) and Cooperatives Office stated that businesses in Prabumulih City are developing material resources for production in accordance with the demand for various varieties, whether through communication with suppliers or through their own cultivation of pineapple fibers.

## 5. Selling Business/Franchise

### 5.1. Sale of Patent Rights

The Head of BALITBANGDA Prabumulih City (H. Matnur Lattif, ST, M.Si) conveyed that several MSME operators in Prabumulih City have established branches, although the number is not substantial. However, precise data regarding how many MSME operators have branches is still unavailable. Relevant parties are working to facilitate MSME operators in opening branches by assisting with the licensing process, particularly for those who encounter difficulties using online systems.

Based on interviews with several MSME representatives, including Mrs. Latifah (Cindo Pineapple Dumpling Business), Mrs. Jumairah (Pineapple Jam Business), Mrs. Mira, and Mrs. Arna (Cha-Cha Business), none have established branches or provided further information regarding specific efforts in this regard. Mrs. Respati (Devati Snack Business) does not have any branches. Mrs. Reni (Pineapple Fiber Crafts) has branches in several areas such as Baturaja, Palembang, and Prabumulih. Mr. Indarqo (Lemongrass Pineapple Beverage) does not have any branches. Mrs. Rita (Pineapple Fiber Crafts) mentioned that they currently do not have any branches but hope to develop the business in that direction. Typically, the support they receive comes in the form of equipment and training, enabling them to scale up their operations. With this assistance, they are optimistic about opening branches in the future. The SME and Cooperatives Office stated that there are several businesses that already have branches, such as those that exist in various regions; however, some have yet to establish branches. The development of existing businesses in Prabumulih City is largely supported and accompanied by relevant offices, such as the SME and Cooperatives Office and the Health Office.



## 5.2. Types of Licenses Held

The Head of the Prabumulih City Research and Development Agency (H. Matnur Lattif, ST, M.Si) conveyed that several micro, small, and medium enterprises (MSMEs) in Prabumulih City have obtained various types of licenses, including the Business Identification Number (NIB), the Food Industry Registration Certificate (PIRT), and halal certification. The challenges faced in obtaining these licenses stem from a lack of community engagement in adopting technology, which hinders the NIB issuance process. As a solution, the DPMPTSP (Investment and One-Stop Integrated Services Office) provides guidance and opens services to assist business operators in obtaining licenses, requiring them only to bring the necessary documentation. [8]

Based on interviews with several MSME representatives: First, Mrs. Latifah (Cindo Pineapple Dumpling Business) has acquired several types of licenses that support her business, including the NIB and a certificate as a seminar participant. In the licensing process, Mrs. Latifah did not encounter significant obstacles. The solution implemented to support further administrative processing is participation in training that helps business operators like Mrs. Latifah learn about technology, thereby facilitating online administrative processes. Second, Mrs. Jumairah (Pineapple Jam Business) has obtained the NIB and a certificate as a seminar participant as licenses supporting her MSME. Similar to Mrs. Latifah, Mrs. Jumairah did not face any difficulties in the licensing process. To ease future licensing procedures, Mrs. Jumairah participates in training to understand relevant technology, enabling more effective online administrative processes. Mrs. Mira has not participated in socialization or training organized by the Prabumulih City MSME Office due to her time being divided between managing her family and running her business. Thirdly, Mrs. Mira relies on social media platforms such as Facebook and WhatsApp for marketing her products but has not engaged in obtaining formal licenses, likely due to time constraints and competing priorities. Fourth, Mrs. Arna (Cha-Cha Business) possesses several important licenses to support her business continuity, including halal certification, a tax card, and a household food industry production certificate. With these licenses, Mrs. Arna ensures her products meet safety and quality standards, although she has not yet utilized the E-Catalog for marketing. Mrs. Respati (Devati Snack Business) holds several licenses such as the Tax Identification Number (NPWP), NIB, Business License, PIRT, halal certification, and a certificate as a seminar participant. She noted that she experienced considerable delays in the administrative process when obtaining her licenses. Mrs. Reni (Pineapple Fiber Crafts) operates branches in several areas

such as Baturaja, Palembang, and Prabumulih. Mr. Indarqo (Lemongrass Pineapple Beverage) has obtained several licenses, including the NIB and halal certification. He stated that the licensing process has become relatively easy due to direct assistance from various agencies such as the Ministry of Religious Affairs and DPMPSTSP. Mrs. Rita (Pineapple Fiber Crafts) has obtained several licenses and reported no obstacles in the licensing process. The Miwa Cooperative (Pineapple Fiber Crafts) mentioned that they currently do not have reports related to the opening of branches by MSMEs. [9] However, they typically receive support in the form of tools and training that enables them to expand their business significantly. With this assistance, they are optimistic about opening branches in the future. The Department of SMEs and Cooperatives stated that several agencies assist with licensing processes, such as DPMPSTSP for NIB issuance, the Ministry of Religious Affairs for halal certification, and the Health Office for PIRT registration, among others. These agencies contribute to supporting business operators in Prabumulih City.

## 6. Conclusion

The micro, small, and medium enterprises (MSMEs) in Indonesia, including those in Prabumulih, play a crucial role in supporting both local and national economic growth. Despite the significant potential of MSMEs in Prabumulih to absorb a large workforce and reduce economic disparities, there remain numerous challenges in practice, such as limitations in human resources, capital, technological knowledge in the current era, and marketing. The Prabumulih City Government has made efforts to assist and facilitate the development of MSMEs through various training programs, mentoring, and product innovation. The following are the conclusions drawn from the conducted research.

1. Based on the research findings, the development of this potential is highly feasible to pursue. Given that this potential is unique and has become an icon of the city of Prabumulih, it could serve as an attractive asset for tourism. It also can be concluded that the development of MSMEs utilizing pineapple as a base material in Prabumulih City, in terms of business expansion, business diversification, and development through franchising, is assessed to be quite satisfactory. In the dimension of business development, MSMEs utilizing pineapple have undertaken various development efforts both from the entrepreneurs themselves and the government. The government has determined that the direction of business development in Prabumulih focuses more on developing products based on pineapple, including food products such as processed pineapple

cakes, sponge cakes, chips, dumplings, beverage preparations, and crafts made from pineapple fibers. Furthermore, the dimension of business diversification has also been applied by entrepreneurs by developing various products that initially encompassed only one processed pineapple product but have now expanded to a variety of processed products. This is supported by the local government's role in providing assistance regarding licensing, guidance, and training. However, the dimension of development through business sales (franchising) is still not maximized. The government has made efforts to facilitate business development by easing access to licensing. The lack of community engagement in adopting technology poses an obstacle in the licensing process. Therefore, the Prabumulih City Government, through the DPMPTSP (Office of Investment and One-Stop Services), provides guidance and services for business licensing to enable entrepreneurs to easily meet the required conditions. Based on interviews with nine entrepreneurs engaged in pineapple-based MSMEs, all have obtained licenses, specifically the Business Identification Number (NIB). However, regarding business development through franchising, only two out of the nine entrepreneurs have opened branches or are in the process of expanding their businesses. Nevertheless, business development continues to be pursued with support from the local government.

2. In Prabumulih City, the development of MSMEs based on local products such as pineapple is a top priority. Various innovations, such as utilizing pineapple fibers and diversifying pineapple-based products, have been implemented to enhance competitiveness in both local and national markets. Several factors influencing the development of pineapple-based businesses among MSMEs in Prabumulih City include issues related to MSME data management and the utilization of marketing technology, which remain obstacles. Therefore, the integration of MSME data and further support in implementing digital technology are essential to strengthen the position of MSMEs in the market and support regional economic growth.

This research contributes to the development of Public Administration, particularly in the areas of development and entrepreneurial bureaucracy. It is hoped that the government can design more effective training and mentoring programs for MSME actors, as well as create initiatives that align with local needs and characteristics. Several recommendations can be provided based on the results of the conducted research, including the following:

1. Development of Integrated Data: The Prabumulih City Government needs to enhance the organization of MSME data in an integrated manner so that the potential

of each MSME can be effectively identified, allowing for more targeted development strategies.

2. Improvement of Technology Access: More intensive training on the use of marketing technology and digitalization should be provided to MSME operators. This is crucial for enabling MSMEs to compete in broader markets at both local and national levels.

3. Collaboration and Partnership: Collaboration between the government, private sector, and academia is necessary to create an ecosystem that supports MSMEs. For example, through regular mentoring, providing access to trade exhibitions, and partnerships with national markets to extend reach beyond Sumatra Island.

## References

- [1] Hidayah A, Bagus F, Ikhsani MM, Darmawan A, Pratama BC, Innayah M N. (2021). Improving MSME Competence in Business Development Based on Business Plans for MSME Members of Aisyiyah Branch Leadership in South Purwokerto. *Budimas: Journal of*.
- [2] Besra, E. (2012). The Potential of Culinary Tourism in Supporting Tourism in Padang City.
- [3] Prabumulih BP. (2021). Statistical data of Prabumulih City. Badan Pusat Statistik Prabumulih. Retrieved from <http://prabumulih.bps.go.id>
- [4] Maulidah FL, Oktafia R. Strategies for the development of small and micro enterprises and their impact on community welfare in Kweden Village, Tarik District, Sidoarjo Regency (According to the Perspective of Maqashid Syariah). *Journal of Is*. 2020.
- [5] Sari D, Setiawan B. Marketing strategies for pineapple-based products among MSMEs in Indonesia: challenges and opportunities. *Int J Bus Manage*. 2019;14(5):100–10.
- [6] Creswell JW. *Research design: Qualitative, Quantitative, and Mixed Method Approaches*; 2003.
- [7] Taylor SJ, Bogdan R. (1984). *Introduction to qualitative research: Theory in qualitative*.
- [8] Nasution M, Harahap R. Factors influencing the success of MSMEs in the pineapple industry: Evidence from Sumatra. *Journal of Entrepreneurship and Business Innovation*. 2021;8(3):77–89.
- [9] Humaizar. (2010). *Business Opportunity Management*. Dian Anugerah Perkasa.