



Strategy for Micro, Small and Medium Enterprises (UMKM) in Processing Salted Fish as Souvenirs in Meulaboh City

Cut Nurul Rafiqah¹

Teuku Umar University, Aceh, 23615, Indonesia

Abstract

Background Salted fish processing business is one of the main livelihoods of the people in West Aceh Regency, especially in Meulaboh City. Based on data from the Aceh Cooperatives and SMEs Service, there are 5,332 MSME actors in West Aceh Regency, with one of the fairly developed business sectors being salted fish processing. However, the development of UMKM strategies in this sector still needs to be improved in order to compete and develop more optimally.

Methods This study uses a descriptive qualitative approach with data collection techniques through observation, interviews, and documentation. The informants in this study were five UMKM actors in salted fish processing in Meulaboh City. Data analysis was carried out using qualitative data analysis techniques.

Results The results of the study indicate that the strategy of MSMEs in processing salted fish as souvenirs in Meulaboh City is still not optimal. In terms of processing technology, MSMEs still rely on human labor without the use of modern technology. However, in marketing strategies, MSMEs have utilized social media such as Facebook and Instagram, although their use has not been maximized. The innovation strategies implemented include the use of special drying equipment based on the natural convection system and packaging salted fish in plastic containers tied with rubber or plastic ropes to prevent contamination by dust and flies. Meanwhile, in the operational strategy, MSMEs strive to maintain product cleanliness and quality by choosing fresh fish as the main raw material.

Conclusions Thus, although there are several digital innovation and marketing efforts, the strategy of salted fish processing MSMEs in Meulaboh City needs to be improved, especially in the application of processing technology and development of marketing strategies in order to increase competitiveness and business sustainability.

Correspondence :

Name : Cut Nurul Rafiqah

Email : cutnurulrafiqah@gmail.com



Copyright: © 2025 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Keywords

Strategy, UMKM, Processing, Salted Fish, Souvenirs.

Introduction

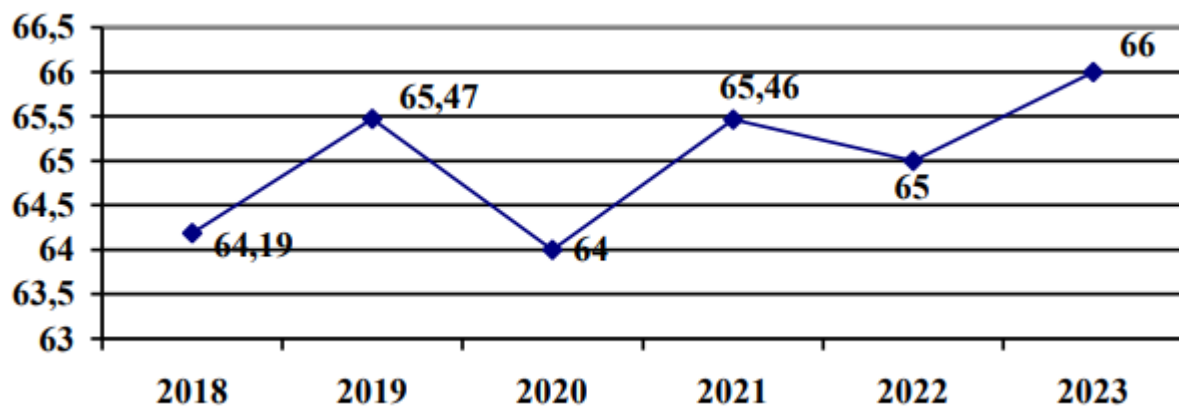
The purpose of the study was to determine and understand the strategies applied by MSMEs in managing and developing salted fish processing businesses as typical souvenir products of Meulaboh City. MSMEs are business activities carried out by individuals, households, and small business entities (Silitonga, 2022). According to Rudjito (2003) MSMEs have an important role in the Indonesian economy, both in terms of job creation and the number of businesses. The objectives of MSMEs include: (1) opening up employment opportunities, because MSMEs can help people get jobs and additional income without requiring special skills; and (2) improving community welfare as measured through indicators of health, education, income, and access to information and communication technology. MSMEs are regulated by Law of the Republic of Indonesia No. 20/2008, which classifies MSMEs based on business type, annual turnover, assets, and number of employees. Businesses that do not meet these criteria are categorized as large businesses.

Today, MSMEs remain the main pillar of the national economy, present from city centers to remote villages. MSMEs reflect the independence of the community amid limited formal employment opportunities and are the economic drivers of the lower community. The production and distribution processes are carried out well by MSME players. Although often underestimated, MSMEs proved to be able to survive the 1998 monetary crisis. Studies on MSMEs emphasize their role in expanding employment, providing a wide range of economic services, promoting equity and increasing community income, and contributing to national stability. MSMEs are also the main pillar of the national economy that must receive the widest possible support, protection and development without ignoring the role of large businesses and SOEs (Soponyono & Maryanto, 2021).

MSME marketing strategies must prioritize new product innovations that are attractive and able to attract the market, both in the form of handicrafts, fabric products, processed fish, archipelago culinary, superior coffee, and other creative works. Innovation is a magnet for consumers and the key for MSME products to compete in a global market that offers high-quality products (Yuliaty et al., 2020). Therefore, MSME players in Indonesia are required to be creative and able to produce products that are equivalent or able to compete with global products. The success of MSMEs can be seen from the right policies in determining products, prices, promotions, and effective distribution channels (Wibowo & Zainul Arifin, 2019). Knight (2000) states that marketing strategy is a tactic that helps businesses face globalization, thus having a positive impact on business development and overall marketing performance.

The position of creativity-based MSMEs is different in each country. In developed countries, creative MSMEs are the main drivers of economic growth, while in developing countries their role is still relatively low compared to other sectors (Mashuri, 2019). Strategic management is important for MSMEs, because through structured planning and activities, MSME actors can develop businesses, compete, and achieve business goals optimally. Good strategic management also helps manage the risk of loss. According to data from the Ministry of Cooperatives and SMEs (2020), the number of MSMEs in Indonesia continues to increase every year, showing the important role of MSMEs in the national economy.

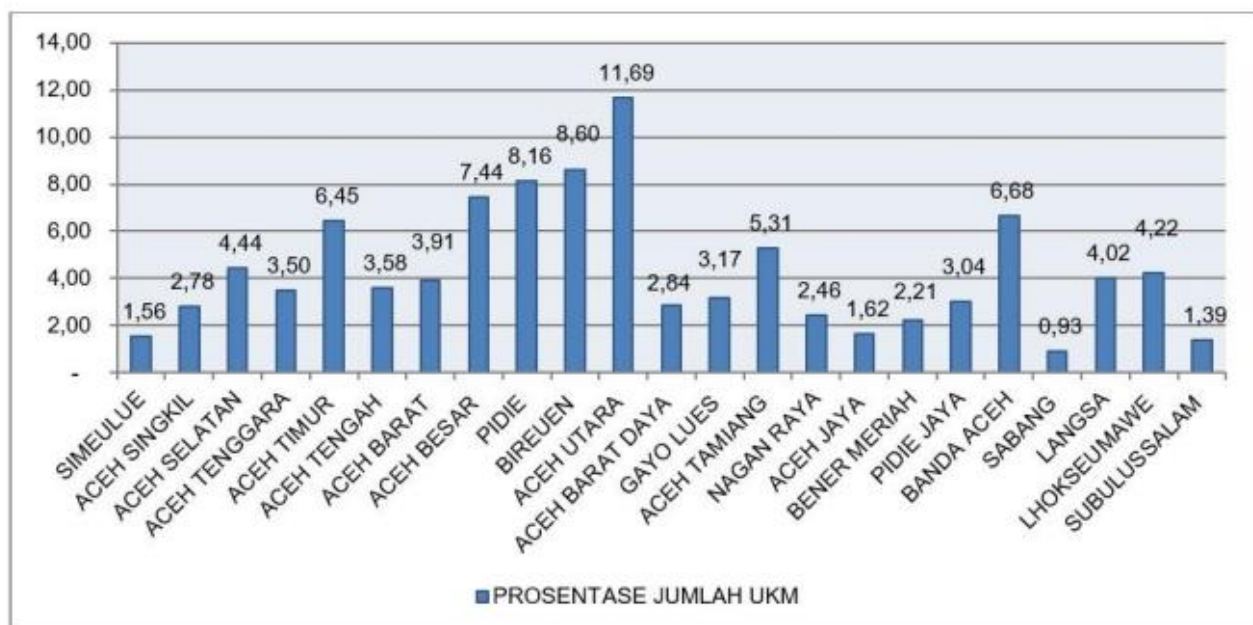
Figure 1.1 Number of MSMEs in Indonesia (2018-2023)



Source: Kemenkop UKM (2024)

The Ministry of Cooperatives and SMEs noted that the number of Micro, Small and Medium Enterprises (MSMEs) in Indonesia fluctuated during the 2018-2023 period. The highest peak was reached in 2023 with a total of 66 million units, an increase of 1.52% compared to 2022 which amounted to 65 million units. The development of MSMEs in Indonesia is relatively rapid, because MSMEs have a fast transaction cycle and their products are generally directly related to the main needs of the community. Therefore, MSMEs are an important pillar of the national economy. As for Aceh Province, MSMEs are also the mainstay sector and backbone of the regional economy. Based on data from the Aceh Cooperatives and SMEs Office, by 2024 there will be 108,029 MSME units in the province. The following is data on the number of MSMEs per district in Aceh Province.

Figure 1.2 Total MSMEs in Aceh Province (2024)



Source: Aceh Cooperatives and SMEs Office

The number of MSME players in West Aceh District according to data from the Aceh Office of Cooperatives and SMEs is 2,646 units, consisting of 2,397 micro businesses, 232 small businesses,

and 17 medium-sized businesses, with no large businesses. One type of MSME that is growing is salted fish processing, which processes fish and salt raw materials into salted fish products, an important livelihood for the people of West Aceh. Data from the West Aceh Industry, Trade and Cooperatives Office shows that the number of salted fish MSMEs decreased from 122 in 2017-2019 to 26 in 2021-2023, due to unstable business income.

The city of Meulaboh, as the capital of West Aceh, has considerable potential for salted fish production and many processing businesses have sprung up. However, salted fish entrepreneurs face a serious threat that could affect their business viability, as the sale of this product is their main source of income. In Suak Indrapuri Village, Ujong Kareung coastal area, people open micro and small businesses in fisheries by processing captured fish into salted fish as souvenirs for tourists. Salted fish production faces obstacles especially during the rainy season, when bad weather such as lack of sunlight and high waves prevent fishermen from going to sea, causing huge losses. In addition, MSME players in this area experience difficulties in product marketing and limited raw materials. Business capital is still limited because there is no work companion or collector to help with marketing to the West Aceh region or outside the region. Fish raw materials are purchased from local fishermen, processed by cleaning, then dried in the sun before being packed in sacks or boxes for marketing.

Salted fish processing by SMEs is relevant to this study. [Hadi et al., \(2020\)](#) conducted a case study on salted fish processing SMEs in Meulaboh, which highlighted the re-planning of the layout of production facilities to improve business efficiency. Research from [Asyura et al., \(2022\)](#) in Sungai Pauh West Langsa, examined the factors affecting salted fish production in the household industry, finding that capital, weather, and raw materials have a significant influence on production, while labor has less effect. Community service research in Kuala Pesisir District, Aceh, by [Akbariansyah et al., \(2023\)](#) provided training on salted fish processing techniques, including the manufacture of drying equipment and salting techniques, which successfully improved the skills of MSME actors as well as product quality. In addition, [Amir et al., \(2019\)](#) examined the processing of fresh sepat fish into salted fish in Ulak Kemang Village, Ogan Komering Ilir Regency, which showed that the production process was efficient and provided added economic value.

This paper focuses on MSME strategies in processing salted fish as souvenirs. The right marketing strategy is very important to improve product competitiveness and contribute to increased sales, which is the main source of MSME sustainability. The processing of dried salted fish by the community is generally still done traditionally, namely through the process of salting and drying by utilizing sunlight to reduce the water content so that the product can be stored longer. However, this method is still vulnerable to causing damage and deterioration in the quality of salted fish due to microbial attacks, insects, and unstable water content during storage. Such quality degradation has an impact on reducing the shelf life of the product. This research is designed to answer the main question, namely how the strategy of Micro, Small and Medium Enterprises (MSMEs) in processing salted fish as souvenirs in Meulaboh City. Thus, this research is expected to provide a clear picture of the strategic steps taken by MSME actors in facing challenges and increasing the competitiveness of salted fish products in the local and wider markets.

Methods

This research uses a qualitative approach with a case study method, which aims to produce

in-depth descriptive data about the pattern, context, and setting in which the case occurs (Woodside & Wilson, 2003). The case study was chosen because of its focus on understanding phenomena in the context of real life in detail and intensively, especially the MSME strategy in processing salted fish as souvenirs in Meulaboh City. The research location is in Suak Indrapuri Village, Meulaboh City, Johan Pahlawan District, West Aceh Regency, Aceh Province, which is relevant to the research focus. The data collected consisted of primary data, obtained directly through interviews and observations with MSME actors, buyers, and related agencies, as well as secondary data in the form of books, journals, articles, and official documents from MSMEs and related agencies. The technique of determining informants uses the snowball sampling method, where initial informants who have important information will recommend other informants so that the data obtained is more complete and representative. This approach allows researchers to gain an in-depth understanding of MSME strategies in salted fish processing in the study area.

Table 3.1 Number of Research Informants

No	Keterangan	Informan	
1.	Kabid Koperasi dan UMKM Kabupaten Aceh Barat	Dr. Husenshah, S.Pd., M.Pd	1
2.	Pelaku UMKM Ikan Asin Desa Suak Indrapuri	- Jurliani Wijaya - Ayu Lestari	2
3.	Pembeli Produk UMKM Ikan Asin Desa Suak Indrapuri	- Yanti Alfaza - Keumalawati	2
	Total		5

Research data were collected through observation, interviews, and documentation. Observation is used to observe non-verbal behavior and conditions directly in the field, specifically related to salted fish processing MSMEs in Suak Indrapuri Village. According to Sugiyono's (2017), observation is a specific data collection technique and is not only limited to humans, but also other objects. Interviews are conducted in a free guided manner, namely two-way communication with flexible questions but still guided by the interview guide, in order to obtain relevant information from informants. Documentation completes the data by collecting information in the form of books, archives, documents, writings, pictures, and reports that support the research.

Arikunto (2011) data analysis is carried out with a case study approach, namely the process of systematically organizing and compiling data from interviews, observations, and documentation into categories, patterns, and themes that are easy to understand. This process includes data reduction, namely the selection and simplification of important data according to the research topic to facilitate further analysis. After reduction, the data is presented by comparing primary and secondary data and making interpretations to build meaningful concepts. The final step is drawing conclusions that answer the formulation of research problems. Conclusions in qualitative research are dynamic and can produce new findings in the form of descriptions or images that were previously unclear.

Results and Discussion

Meulaboh City has many opportunities for MSMEs, thanks to its strategic location and adequate facilities and infrastructure to develop businesses and attract visitors to buy local MSME products. Therefore, the West Aceh District Office of Cooperatives, SMEs and Trade must empower MSMEs with effective strategies so that the benefits can be felt directly by business actors. As a coastal area, Meulaboh has great potential from marine products, especially superior products such as salted fish. However, fish processing here is still simple, limited to making salted fish and peda fish with natural drying methods that run for generations. The fish processing industry in Meulaboh is still micro-scale. Salted fish is a high-value fishery product that has contributed a lot to the economy of fishing communities. This product is easy to process, the selling price is quite high, the production cost is low, and it is easy to market. Salted fish processing business can increase the income of fishermen's households in meeting the needs of life.

Based on the research, the salted fish business in Meulaboh has the potential to advance due to its strategic geographical location on the coast. However, people still run the business by themselves without using a planned business strategy, relying only on hard work, honesty, and perseverance. This causes an increase in salted fish business income from the economic side is still limited. The development of salted fish buying and selling businesses requires a variety of appropriate and directed strategies so that business processes run smoothly and goals can be achieved. In this study, the MSME strategy in processing salted fish as souvenirs in Meulaboh City can be analyzed through three main aspects, namely:

Technology Strategy

The salted fish processing industry in Meulaboh City continues to grow from year to year, seen from improving the quality of raw materials, processing processes, to the formation of industry groups to maximize production. This development directly improves the welfare of the Pulau Pasaran community, including by increasing financial income, improving consumption patterns, and opening new business opportunities for local residents. Salted fish is the result of preserving fish with the salting method which consists of two main stages, namely the salting and drying process. The main purpose of salting is the same as other preservation methods, which is to extend the durability and shelf life of fish. Salt serves to inhibit or kill bacteria that cause decay so that the fish becomes durable.

In Meulaboh City, salted fish is made from various types of fish such as black snapper, rambee, layur, anchovy, totol, skipjack, sea cork, sabu shrimp, and others. The manufacturing procedure begins with cleaning the dirt in the belly of the fish, then the fish is split so that the salting process is more evenly distributed. The fish is soaked in salt solution for 1-3 days, depending on the type of fish. After salting, the fish is dried in the sun with periodic turning to dry evenly. The production process in this cottage industry is still self-taught without special training, both by the owner and workers. They have not yet implemented a business strategy like large companies that formulate policies and strategies to develop their business.

The existence of the salted fish processing industry helps meet the education, health and food needs of the community. In addition, this industry also increases income, consumption patterns, and opens up new employment and business opportunities. The technology strategy of MSMEs in salted fish processing as souvenirs in Meulaboh City is mainly focused on marketing through social media such as Facebook, Instagram, and other mainstream media. However, in the process of processing salted fish, MSME actors still rely on human labor without using modern technology. An example

can be seen in one of the following salted fish traders in Meulaboh City:

Figure 1: Promotion of Salted Fish Processing by MSMEs in Meulaboh City



The marketing strategy carried out by traders is to improve product quality to strengthen competitiveness in the market. Products are the results of the production process offered to consumers with the aim of attracting attention and meeting their needs. Consumers will buy a product if they feel the product is in accordance with their wants and needs (Marzuki & Ramdaniah, 2019). Therefore, products must be tailored to market preferences for successful marketing. In other words, product manufacturing should be oriented towards customer wants and tastes. Improving product quality in accordance with consumer tastes will create satisfaction, so that the product is able to compete and be well received in the market.

Innovation Strategy

The main problem with conventional drying systems, either by spreading or hanging in direct sunlight, is the high dependency on the weather. During cloudy weather or the rainy season, the drying process cannot be carried out, resulting in abandoned products. In addition, open drying often faces interference from birds, cats and other animals, as well as dust contamination that causes the product to be less hygienic. Salted fish MSME players in Meulaboh City have not been optimal in implementing innovation strategies to develop their businesses, both in the production, packaging and marketing processes. A small number of MSME players have innovated by using special drying equipment based on natural convection systems, replacing the drying method using tarpaulins on the roadside. Another innovation made is the packaging of salted fish in plastic

containers tied with rubber or plastic straps to avoid dust and fly contamination.

Although some business actors have tried to innovate, obstacles such as limited technological knowledge and lack of understanding in business promotion are still the main obstacles. Marketing of salted fish as souvenirs in Meulaboh City is done directly by producers and through intermediary traders. Buyers usually come directly to the producer, both regular and new customers. In addition, salted fish is also sent to several cities such as Banda Aceh, Sigli, Tapaktuan, Singkil, Simeulu, Medan, Jakarta, and other cities in Aceh Province. Orders from out of town are usually placed over the phone, and after the price is agreed, the salted fish is sent to the destination. It is not uncommon for consumers from out of town, such as Medan and Padang, to come directly to Meulaboh to buy salted fish as souvenirs. Some entrepreneurs also market their products through social media, such as Facebook, which opens up great opportunities to expand the market.

However, there are still business owners who have not used social media due to constraints such as not having an adequate Android smartphone or age limitations that make them less tech-savvy. Some merchants prefer to promote products directly because it is considered easier and can build trust between sellers and buyers by showing real products. Based on the research, there are still merchants who only rely on customers coming directly to the place of business without utilizing social media.

Operation Strategy

The main raw material in the salted fish processing business is fresh fish, such as black snapper, rambee, layur, anchovy, totol, skipjack, sea cork, sabu shrimp, and others. Fresh fish caught by fishermen who have just been unloaded from the ship are then auctioned to processors. Processors buy raw materials only for one production because the use of fish that is not fresh will affect the quality of the salted fish produced. Salted fish production in Meulaboh City is generally done naturally by drying using sunlight, so this process is vulnerable to disruption during bad weather or the rainy season. Some strategies that can be applied to develop salted fish souvenir businesses include improving human resource management (HR), improving infrastructure and raw material processing technology to improve product quality, ease of licensing and access to capital from the government, developing distribution networks so that products can penetrate a wider market, and implementing partnership programs systematically and sustainably.

According to [Hastiningsih et al., \(2021\)](#) , improving the ability of human resources of MSME managers is very important to face increasingly competitive competition through training in production processes, marketing, and product quality assurance. Increasing competitiveness is the main strategy so that businesses can survive and develop. MSME actors need to be open and build partnerships with other parties. A strong business network is essential to market products and overcome obstacles such as lack of creativity, innovation, ability to read opportunities, access to capital, and weaknesses in marketing strategies. The development strategy of salted fish processing businesses must utilize a broad market due to the demand for processed fishery products with high economic value ([Sedyastuti, 2018](#)) .

The utilization of fishery products and modern technology is expected to improve the quality, quantity, and continuity of products so that the selling price becomes better. Small-scale business development in the food and beverage sector can be done through market expansion, productivity improvement, and technology application. Marketing is one of the main activities carried out by entrepreneurs to maintain business continuity, develop business, and obtain profits. The success of

achieving business goals depends on the entrepreneur's expertise in marketing, production, finance and other fields, as well as the ability to integrate these functions so that the business runs smoothly.

Conclusion

Based on the results of the research and discussion that has been carried out, it can be concluded that the MSME strategy in processing salted fish as souvenirs in Meulaboh City is still not optimal. This can be seen from three main indicators, namely technology strategy, innovation strategy, and operation strategy. In terms of technology, MSME players still rely on human labor in the process of processing salted fish, although in marketing they have begun to utilize social media such as Facebook and Instagram, although their use has not been maximized. The innovation strategy applied is still limited to the use of natural convection drying equipment made of nets, pipes, and wood, as well as simple packaging using plastic containers and rubber bands. Meanwhile, in the operations strategy, MSMEs still use traditional methods in selecting fish to be used as salted fish, which has the potential to affect product consistency and quality.

In addition, there are several obstacles that hinder the development of salted fish as a typical souvenir of Meulaboh City. These barriers include a lack of effective promotion, intense market competition, and a lack of support from the government in the form of training facilitation, access to capital, and supportive regulations. Lack of innovation in packaging and processing technology also limits product appeal in an increasingly competitive market. This condition is a challenge for MSME actors to improve competitiveness and expand the market share of salted fish products in the area. Therefore, integrated efforts from various parties, including business actors, government, and supporting institutions, are needed to develop more effective strategies in technology, innovation, and marketing so that salted fish MSMEs in Meulaboh City can develop sustainably and make a greater contribution to the local economy.

References

- Silitonga, Saor. (2022). Business Capital and Entrepreneurial Characteristics as Factors Affecting the Success of Small Micro and Medium Enterprises (MSMEs) Moderated by Business Length. *Movere Journal*, 4 (2), 14-25. <https://doi.org/10.53654/mv.v4i2.257>
- Akbardiansyah, A., Fuadi, A., Insani, S. A., & ... (2023). Increasing the Capacity and Quality of Salted Fish Product Processing Based on Quality Control at Umkm Langkak Village, District *Martabe: Journal* <http://jurnal.um-tapsel.ac.id/index.php/martabe/article/view/8999>
- Amir, M., Minha, A., & Yulius, Y. (2019). Analysis of Added Value and Profits of Processing Fresh Fast Fish into Salted Fast Fish (Case Study of the Salted Fast Fish Industry in Ulak Kemang Village, Pampangan District). *Agripita Journal*, 3(1).
- Arikunto, S. (2011). *Research Procedure: a practical approach*. Rineka Cipta.
- Asyura, Mastura, & Junaidi. (2022). Salted fish business and its impact on the welfare of the people of Sungai Pauh West Langsa. *Journal of Islamic Investment*, 6 (2), 160-172. <https://doi.org/10.32505/jii.v6i2.3349>
- Hadi, K., Hasanuddin, I., Husni, Pamungkas, I., Fitriadi, & Irawan, H. T. (2020). Production Facility Layout Re-planning (Case Study: Stefen Aluy-Meulaboh Salted Fish Processing SME). *Journal of Optimization*, 6 (2). <https://doi.org/https://doi.org/10.35308/jopt.v6i2.2569>
- Soponyono, E., & Maryanto, M. (2021). (2021). Development of digital MSMEs during the covid-19 pandemic. In (Vol. 2, No. 1, pp. 30-39). *Proceedings of the National Seminar on Research and Community Service*.

- Hastiningsih, W. T., Sari, A. A., Junaedi, J., & Prastowo, I. (2021). Assistance in Re-Branding Umkm Guitar as a Form of Marketing Performance Improvement. *RESWARA: Journal of Community Service*, 2 (1), 131-139. <https://doi.org/10.46576/rjpkkm.v2i1.939>
- Knight, G. (2000). Entrepreneurship and marketing strategy: The SME under globalization. *Journal of International Marketing*, 8 (2), 12-32. <https://doi.org/10.1509/jimk.8.2.12.19620>
- Marzuki, I., & Ramdaniah, F. (2019). Marketing Strategy of Groceries Traders in Improving Economic Levels from an Islamic Economic Perspective. *IQTISHADIA Journal of Islamic Economics & Banking*, 6 (1), 54-64. <https://doi.org/10.19105/iqtishadia.v6i1.2139>
- Mashuri, M. (2019). Analysis of MSME Marketing Strategies in Era 4.0. *IQTISHADUNA: Scientific Journal of Our Economy*, 8 (2), 215-224. <https://doi.org/10.46367/iqtishaduna.v8i2.175>
- Rudjito. (2003). MSME Development Strategy based on Business Synergy in a Paper presented at the Seminar on the Role of Banking in Obtaining National Resilience. In *Lemhanas*.
- Sedyastuti, K. (2018). *Analysis of MSME empowerment and increasing competitiveness in the global market arena*. *INOBIIS: Indonesian Journal of Business Innovation and Management*, 2 (1), 117-127.
- Sugiyono, D. (2017). *Quantitative, qualitative, and R&D research methods*. Bandung: Alfabeta. *Procrastination and Task Avoidance: Theory, Research and Treatment*.
- Wibowo, D. H., & Zainul Arifin, S. (2019). Analysis of marketing strategies to improve the competitiveness of MSMEs (Study on Batik Diajeng Solo). *Journal of Business Administration (JAB)*, 29(1).
- Woodside, A. G., & Wilson, E. J. (2003). Case study research methods for theory building. *Journal of Business and Industrial Marketing*, 18 (6-7), 493-508. <https://doi.org/10.1108/08858620310492374>
- Yuliaty, T., Shafira, C. S., & Akbar, M. R. (2020). MSME Strategies in Facing Global Business Competition. *Mbia*, 19 (3), 293-308. <https://doi.org/10.33557/mbia.v19i3.1167>