

ISRG Journal of Economics, Business & Management (ISRGJEBM)



ISRG PUBLISHERS

Abbreviated Key Title: Isrg J Econ Bus Manag

ISSN: 2584-0916 (Online)

Journal homepage: <https://isrgpublishers.com/isrgjebm/>

Volume – III Issue -IV (July-August) 2025

Frequency: Bimonthly



Determination of Competitive Strategy of MSMEs “Sari Kedelai” and “Sule Firanty” Lumajang using BCG Matrix

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| Received: 20.06.2025 | Accepted: 28.06.2025 | Published: 03.07.2025

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Abstract

This study aims to determine the appropriate competitive strategy for two soy milk producing MSMEs in Lumajang Regency which is the scientific responsibility of the researcher. Both MSMEs have been operating for more than ten years but show limitations in market growth and relative market share. The method used in this study is a quantitative approach with the help of BCG Matrix analysis and Porter's generic strategy theory. Data was obtained through observation, simple financial data analysis, and semi-structured interviews with MSMEs owners. The results of the study show that both MSMEs are in the Dog quadrant of the BCG Matrix, but still have stable cash flow and loyal customers. Therefore, the right competitive strategy is not liquidation or divestment, but rather a survival strategy such as focus, cost efficiency, and contextual light differentiation. With Porter's generic strategy analysis, both MSMEs chose the focus and differentiation strategies. The researcher concluded that a competitive strategy based on real conditions and an interpretive approach is more relevant to be applied to MSMEs. The researcher also recommends that a personal and adaptive approach be used in developing small business development strategies, especially for MSMEs owners who have limited large-scale competitiveness.

Keywords: Soy Milk MSMEs, BCG Matrix, Dog Quadrant Strategy, Porter's Generic Strategy

INTRODUCTION

Home industries that are part of MSMEs hold several vital functions in society. Based on research conducted by Ota and Anwar (2023), home industries play essential functions, including reducing unemployment, creating jobs, serving as a source of income, improving living standards, and enhancing skills. These things, in addition to improving the community's economy, can also maximize the potential of the community. Therefore, to improve the Indonesian economy, the presence of MSMEs plays a very important role in overcoming economic problems starting from the scope of small communities in villages.

The development of Micro, Small, and Medium Enterprises (MSMEs) in Lumajang Regency has shown rapid progress with various local products becoming increasingly well-known. This has even attracted the attention of the Management of the School of Strategic and Global Studies, University of Indonesia, committed to conducting further research and development (Bobby, 2024. <https://portalberita.lumajangkab.go.id/main/baca/aXGOeZBp>, accessed on January 22, 2025). The Lumajang community has great potential to develop the MSMEs they are involved in. This will certainly contribute a positive impact on the growth and development of the economy of Lumajang Regency.

According to the latest data from the Cooperatives, Small and Medium Enterprises, Industry and Trade Service of Lumajang Regency, there are at least 39,900 MSMEs in Lumajang Regency and most of them are culinary food and beverage businesses (Tirtapavita, 2022. <https://www.visitlumajang.com/tercatat-39-ribu-pelaku-MSMES-di-lumajang-didominasi-usaha-kuliner/3482>, accessed on January 22, 2025). MSMEs engaged in the field of food and beverage (f&b) more because the small capital and more affordable for them, there are many product ideas that can be developed, the cheap marketing-cost, and big-profit promising. In addition to these factors, the main factor is because food and drink are basic human needs. So, it is likely to make a profit quickly.

In Lumajang, two soy milk MSME owners have been running their businesses for years, even before the pandemic, namely "Sari Kedelai" owned by Mrs. Satriana Ningsih, and "Sule Firanty" owned by Mrs. Sri. Even though they have been running for years and are known for their quality, these business owners still run their businesses conventionally without mapping out a measurable competitive strategy.

In the context of MSMEs, competitive advantage is a determining factor in dealing with resource limitations, small business scale, and market uncertainty. According to Porter (1985), competitive advantage is obtained through three strategies; differentiation, cost leadership or market focus. Without a clear strategy, MSMEs are at risk of stagnation or even being eliminated when new competitors emerge or consumer preferences change. Therefore, mapping positions and formulating appropriate competitive strategies are urgent needs, including in the soy milk industry.

Food and beverages that can be processed into various menus and unique flavors have their own added value to attract customer, it is different from traditional food or beverages that already have a fixed taste. Soy milk, for example, the process of making soy milk which is already commonly known by many people makes competition in soy milk MSMEs increasingly tight. Therefore, quality must remain number one. Maintaining quality to remain

number one amidst rising food prices requires a strong trading strategy. Not to mention the threat of new entrants makes competition even tighter. If in durable goods, the product can be stored and sold in the future. However, in non-durable goods such as soy milk, this is certainly a problem that should not be ignored.



Figure 1. Soy Milk Products from Lumajang Regency

Source: Personal documentation

Soy milk has high nutritional value and can be an alternative for the community, especially those who are lactose intolerant and looking for a quality source of vegetable protein. The protein, isoflavone, and vitamin content in soy milk makes it a potential choice to support public health. With increasing awareness of healthy lifestyles, the potential market for soy milk is still wide open if the right competitive strategy can be implemented. Therefore, the soy milk MSMEs in Lumajang is interesting to be studied with BCG Matrix analysis which can help optimize strategy. This BCG Matrix analysis will help MSMEs owners analyze the level of competition in the market and competitive position. Although often considered simple, the BCG Matrix is relevant in the context of MSMEs because it can be used to assess product position based on relative market share and simple but informative growth (Kotler & Keller, 2016).

In the context of MSMEs, where financial and marketing data are often limited, the BCG Matrix remains relevant as an early diagnosis tool for business positions. The BCG Matrix offers data-based visualizations that can indicate whether MSMEs are in a growing, stagnant, or lagging position in the market. The purpose of its use in this study is not as a single analysis tool, but an initial approach to mapping strategic positions which are then strengthened by Porter's competitive advantage theory analysis to formulate advanced strategies.

Soy milk MSMEs (Micro, Small, and Medium Enterprises) are relatively easy to start due to low entry barriers. The required capital is not substantial, raw materials are readily available, and the production process can be conducted manually. This accessibility has led to the emergence of many new businesses in the sector, particularly in response to the growing trend of healthy lifestyles and increased demand for plant-based products. Furthermore, the lack of a dominant brand or patent makes it easy for others to imitate the product. As a result, the threat of new entrants is the most significant factor influencing the survival and development strategies of existing MSMEs.

A study conducted by Adhania & Indrayani (2022) highlighted the challenges that MSMEs face in their operations, which create obstacles to ongoing development. With the rapid advancement of technology, MSMEs are increasingly compelled to adapt to seize opportunities for sustainable business growth. They must embrace technological changes within economic activities in the industrial eras 4.0 and 5.0. It is clear that online business has become a promising avenue for anyone willing to engage in it. Additionally,

MSMEs need to assess their competitiveness to optimize their strategies. By combining the BCG matrix approach with Porter's competitive advantage analysis, it is expected that a competitive strategy will emerge that is both analytically effective and practically relevant for the sustainability of soy milk MSMEs in Lumajang.

LITERATURE REVIEW

Boston Consulting Group Matrix Analysis

Boston Consulting Group Matrix is a matrix that can help companies define product positions and analyze growth and market share which can then be formulated strategies such as deeper market penetration, market expansion, and product development as research has been conducted by (Subhan and Pratiwi, 2017); (Elisabet Lyoni, et al., 2021); (Septiani and Sulistyawati, 2022); and (Al-Qorni and Munir, 2024). The goal is to help managers allocate resources and determine the right strategy for each unit (David & David, 2017). There are four categories for classifying a company's business units based on a combination of market growth and market share relative to its largest competitors.



Figure 2. Boston Consulting Group Matrix

Source: Maulida, et al. (2020).

In the diagram, the axis vertical present level shared market growth into two parts namely low growth (marked by cows and dogs) and high growth (marked by stars and question marks). Then, the horizontal axis represents the amount of low market share (marked by the dog and question marks) and the amount of high market share (marked by the star and the cow). Each of these quadrants shows the position of the business unit in relation to external fowners of the company which then gives rise to what strategies the company needs to do to compete and be sustainable.

The four quadrants that show the position of a business unit based on the relationship between its market share and market growth, include (Safitri et al., 2021) :

a. Category Dogs

In business units that are in a low market share position and their market growth is also low, there is no significant contribution to the overall development of the unit. In general, a liquidation, divestment, or retrenchment strategy will be carried out (Putra, 2014). Liquidation is the activity of selling assets to cover losses

or stop the operation of a business unit completely because it is no longer profitable.

b. Question Marks Category

In business units that are in a low market share position but have high market growth, making business units still have hope to continue to compete with new strategies to increase market share. In developing new strategies, business units need quite large costs/investments in their business operations. Therefore, business units need to determine between the options of increasing investment to strengthen market position or conducting divestment (Putra, 2014).

c. Star Category (Stars)

In a business unit that is in a high market share position and high market growth, it shows that the business unit has the potential to develop in the long term. Therefore, significant investment is needed to maintain market position and even increase dominant position in the market. Strategies that can be applied when a business unit is in this position include market penetration, product development, and expansion into new markets (Putra, 2014).

d. Category Cows (Cash Cows)

In the business unit that is in position high market share but growth the market low, such as designation position 'cow' which business unit can produce income more from what is needed but its growth slow. In this position, cash flow is stable and high, but they do not need much investment for growth. So the profits generated can be used to support other products or businesses that require growth (Natalia, 2023, <https://accurate.id/marketing-manajemen/bcg-matrix/>, accessed on January 22, 2025 at 07.50).

The Concept of Competitiveness

Competitiveness is the ability of a company to compete with its competitors in increasing the number of customers and company profits. There are several advantages that can be used to increase business competitiveness, those are price, market share, brand, product quality, consumer satisfaction, and distribution channels (Saputra & Firdaus, 2016). In addition to the components above, there are personnel components that must be considered and improved in order to increase the competitiveness of MSMEs owners (Rahmadi & Indrawijaya, 2024). In this case, human resources also affect the continuity of business operations.

The Five Forces of Competition model popularized by Michael E. Porter remains relevant today in analyzing industry structure and business competitiveness. This model emphasizes that the attractiveness of an industry is determined by five competitive forces, namely: the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitute products, and the intensity of competition between industry players (Porter in David & David, 2020).

In the context of soy milk MSMEs in Lumajang, the five strengths can be described as follows.

a. Threat of new entrants

The soy milk industry has low barriers to entry. This is in the form of small capital requirements to start production, easily obtained raw materials, and simple production technology. This condition triggers the growth of new businesses that sell similar products with a more aggressive approach in price, packaging, or digital

marketing. This is a real threat to MSMEs that have been operating for a long time but do not yet have a strong competitive advantage.

b. Supplier bargaining power

Most raw materials such as soybeans and sugar are obtained from local markets, so the bargaining power of suppliers tends to be low. However, MSMEs still need to be aware of price fluctuations and raw material availability, especially if they depend on supplies from outside the region or imports.

c. Strength laugh buyer

Buyers in local markets have a high level of price sensitivity, and will usually choose products based on lower prices if there is no significant differentiation. Therefore, buyer bargaining power is moderate to high, especially in areas with many similar choices.

d. Threats product replacement

Although Not yet Of course dominant, product such as almond milk, oat milk, and drinks modern vegetable farming begins known urban society. This is become potential threat term the required length anticipated, especially If product substitution That start enter to the local market with price compete.

e. Competition in industry

Competition between soy milk MSMEs occurs in a relatively limited area. However, with the increasing reach of digital and online promotions, competition can increase if players expand their marketing areas outside the sub-district or district.

Sustainability of Home Industry in Food and Beverage Sector

Sustainability can be observed from the adaptation of important aspects into a business. These aspects include, (a) capital which includes everything about the capital used and how to run it; (b) human resources which include matters relating to employment; (c) production which includes raw materials, and how to obtain raw materials; (d) marketing which includes product development, distribution, service (Sulistiyawan & Maskuroh, 2023) .

In terms of distribution to customers, MSMEs are forced to be able to master digital things. The digitalization of service organizations has driven new ways of working in the post-pandemic era. Madhavan et al. (2022) in their research identified the characteristics of I4.0 and I5.0 in small and medium-sized enterprise (SME) research using the PRISMA approach. The findings of this study indicate a change in behavior among academics in exploring I4.0 technology in SMEs during the pre-pandemic period and during the pandemic. During the pandemic, the research conducted tended to be directed towards a human-centered approach, adoption models, cost-effective solutions, AI, innovation industry, and the impact and resilience to COVID-19. The I5.0 revolution emerged and complemented I4.0. This study has proposed a conceptual model to evaluate the implementation of I4.0 and the digital transformation of SMEs in the global value chain (Agrawal et al., 2023) . Therefore, the sustainability of businesses owned by business owners in the food and beverage sector has the same direction as their willingness to adapt technology into the series of business activities they carry out.

MSMEs strategic management

Micro and small industrial businesses are business units that carry out economic activities which aim to produce goods or services; located in a certain location; and have neat administrative records regarding production and cost structure and there is one or more people who are responsible for the business which consists of 1-4

people who carry out industrial activities and small industries with a workforce of 5-19 people including entrepreneurs/owners (BPS East Java, 2022).

Home industry is a business activity in creating products and providing service facilities to consumers using personal capital and carried out independently (Hernando et al., 2022) . Meanwhile, according to Dewi and Garside (2016), home industries are generally included in the informal sector and produce unique products related to local wisdom, local labor sources, and prioritize handicrafts.

This home industry operates on a small scale, from unprofessional workers, small capital, and production is only seasonal (Sulistiyawan & Maskuroh, 2023) . Junaidi, et al. (2022) also added that the establishment of a home industry is none other than to increase family income (Hernando et al., 2022). Therefore, strategic management for the MSMES scale is also important to consider.

METHODOLOGY

This research is a quantitative study and uses a descriptive approach. With this approach, quantitative data will be used to measure several relevant variables. Then, descriptive analysis will be used to interpret the results. This research will be conducted on two soy milk MSMEs in Lumajang who will be assisted in determining competitive strategies, they are the "Sari Kedelai" MSMES owner, Mrs. Satriana Ningsih and "Sule Firanty" owner Mrs. Sri Wahyuni. The researcher used non-probability sampling namely convenience sampling technique, sampling based on the availability and ease of access of the subject (Sugiyono, 2021). The final results showed that there were 23 MSMEs that were still active and willing to be research objects.

Based on its acquisition, the data used in the BCG matrix analysis is secondary data. Namely in the form of historical data on sales of MSMES soy milk and historical data on soy milk production in Lumajang Regency. The data was obtained from the MSMES research sample, while fresh milk production data was obtained from related agencies/institutions such as: BPS, the Cooperatives & MSMES Service, and the Lumajang Regency Trade and Industry Service. The data source can also be in the form of digital pages/portals of each agency. All of this data is collected using the documentation/recording method. Among them are manual and/or digital recording or downloading to each data source.

The analysis method used is the Boston Consulting Group Matrix (BCG Matrix). Based on this matrix, a business entity can define the position of its product in the competitive arena. The coordinates of the competitive position are formed from the meeting point between the analysis of the market growth of an industry and the analysis of the market share of the business entity. Furthermore, from the product coordinates in the BCG Matrix, the company's future competitive strategy can be formulated. In order to provide a more comprehensive explanation, the achievement of the results of the analysis of the two objectives needs to be analyzed together. For this reason, a descriptive analysis approach is used with a graphical method. Furthermore, to answer the 3rd objective, the BCG Matrix is used. The visualization of the BCG matrix has four quadrants, each marked with a picture of a Cash Cow, Dog, Star and Question mark.

RESULTS AND DISCUSSION

This study was conducted on 23 soy milk MSMES spread across Lumajang Regency. These MSMES have diverse characteristics ranging from business aspects, production capacity, marketing strategies, to distribution models. Specifically, this study focused on determining the competitive strategies of two MSMES "Sari Kedelai" and "Sule Firanty". MSMES "Sari Kedelai" owned by Mrs. Satriana Ningsih has been established since 2016. Located in Umbul Village, Kedungjajang District, Lumajang Regency, soy milk production has become the main source of livelihood for Mrs. Satriana Ningsih's family. Soy milk production is carried out around 2-3 in the morning, processed, and then packaged. Soy milk is ready to be distributed at 05.00 every day. Mrs. Satriana Ningsih offers soy milk with plain, original, chocolate, melon, and strawberry flavors. With a production volume of 1 kg of imported soybeans every day, Mrs. Satriana Ningsih can sell approximately 20 liters of soy milk which is priced at IDR 2500 per bottle. During the month of Ramadan, Mrs. Satriana Ningsih does not produce because she focuses on worship during the holy month.

Meanwhile, the "Sule Firanty" MSMES owned by Mrs. Sri Wahyuni has been established since 2011, located in Grati Village, Lumajang District, Lumajang Regency. More or less the same as Mrs. Satriana Ningsih's production process, Mrs. Sri Wahyuni also starts processing soybeans at 2-3 in the morning and is ready to be distributed at 05.30 every day. Resellers will take the packaged soy milk with original, melon, and strawberry flavors at that time. With a production of 1 kg of imported soybeans, Mrs. Sri Wahyuni can produce up to 30 liters of soy milk. Her soy milk is sold for IDR 1,000 for each 150 ml plastic. During the fasting month, Mrs. Sri Wahyuni continues to produce and the amount of production can be twice as much as on normal days.

Data Description

1. Placement Criteria in the BCG Matrix

In determining the position of MSMES in the BCG Matrix, two main indicators are used, namely relative market share and market growth. Relative market share is calculated based on the comparison of sales turnover of each MSMES with the sales turnover of the largest competitor. While market growth is measured from the average increase in sales of soy milk products over the past two years (2023-2024). Therefore, researchers need data on the sales volume of the last two years from soy milk MSMES in Lumajang Regency as follows.

Table 1. Sales Volume of Soy Milk MSMES in 2 years final Regency Lumajang

MSMEs	Sales Volume 2024 (liters)	Sales Volume (liters)
1	308000	297000
2	8634.6	8634.6
3	16450	16450
4	5850	5700
5	6150	0
6	8160	7140
7	416780	373880
8	21060	21060

9	17100	16650
10	31800.4	32358.6
11	4140	4125
12	3500	3360
13	2151.8	2006.3
14	23800	22440
15	43152	21132
16	6560	6232
17	4651.2	4436
18	6950	6613
19	6460	6137
20	10417.5	10417.5
21	357	365
22	2676	2676
23	12840	12840

Source: Processed Primary Data (2025)

2. Placement of MSMEs in Cash Cow Quadrant

To determine the position of Lumajang soy milk MSMES in the BCG matrix, the average relative market growth rate and the average relative market share will be calculated as follows.

$$TPP = \frac{VP_N - VP_{N-1}}{VP_{N-1}} \times 100\% \dots\dots\dots (1)$$

Information:

TPP : Market growth rate (%)

VP_N : Soybean sales volume in Lumajang in the Nth year

VP_{N-1} : Soybean sales volume in Lumajang in year (N-1)

Table 2. Sales Volume and Market Growth Rate

MSMEs	Sales Volume 2024 (liters)	Sales Volume (liters)	Market Growth Rate
1	308000	297000	4%
2	8634.6	8634.6	0%
3	16450	16450	0%
4	5850	5700	3%
5	6150	0	0%
6	8160	7140	14%
7	416780	373880	11%
8	21060	21060	0%
9	17100	16650	3%
10	31800.4	32358.6	-2%
11	4140	4125	0%
12	3500	3360	4%
13	2151.8	2006.3	7%
14	23800	22440	6%

15	43152	21132	104%
16	6560	6232	5%
17	4651.2	4436	5%
18	6950	6613	5%
19	6460	6137	5%
20	10417.5	10417.5	0%
21	357	365	-2%
22	2676	2676	0%
23	12840	12840	0%
Total	967640.5	881653.02	173%

Source: Processed Primary Data (2025)

Market Growth Rate of Soy Milk MSMEs the city of lumajang determined with count average from level Market growth of all soy milk MSMEs in Lumajang as follows.

$$TPP \text{ Average} = \frac{\sum_{t=1}^n TPP_t}{n}$$

$$TPP \text{ Average} = \frac{173\%}{23}$$

$$TPP \text{ Average} = 7,5\%$$

After measuring the growth rate of soy milk MSMES sales. Then categorize whether the growth rate of the Lumajang soy milk MSMES market is included in the high category (> 10% per year) and low (\leq 10% per year). The calculation results show a figure of 7.5% which means that the growth rate of the Lumajang soy milk MSMES market is included in the low category because it is in the position of \leq 10% per year.

Then, to find out the relative market share of soy milk MSMEs in Lumajang Regency, it is necessary to determine and analyze it using the following formula.

$$PPR = \frac{VP_N}{VPP_N} \dots \dots \dots (2)$$

Information

PPR : Relative Market Share

VP_N : MSMEs sales volume last year

VPP_N Competitors ' sales volume year final

Table 3. Sales Volume, Growth Rate and Market Share

MSMEs	Sales Volume 2024 (liters)	Sales Volume (liters)	Market Growth Rate	Relative Market Share 2024
1	308000	297000	4%	0.739
2	8634.6	8634.6	0%	0.021
3	16450	16450	0%	0.039
4	5850	5700	3%	0.014
5	6150	0	0%	0.015
6	8160	7140	14%	0.020

7	416780	373880	11%	1,000
8	21060	21060	0%	0.051
9	17100	16650	3%	0.041
10	31800.4	32358.6	-2%	0.076
11	4140	4125	0%	0.010
12	3500	3360	4%	0.008
13	2151.8	2006.3	7%	0.005
14	23800	22440	6%	0.057
15	43152	21132	104%	0.104
16	6560	6232	5%	0.016
17	4651.2	4436	5%	0.011
18	6950	6613	5%	0.017
19	6460	6137	5%	0.015
20	10417.5	10417.5	0%	0.025
21	357	365	-2%	0.001
22	2676	2676	0%	0.006
23	12840	12840	0%	0.031
Total	967640.5	881653.02	173%	2,322

Source: Processed Primary Data (2025)

Relative Market Share of Soy Milk MSMEs in the Regency Lumajang determined with counting the average relative market share all soy milk MSMEs in the Regency Lumajang use following formula.

$$PPR \text{ Average} = \frac{\sum_{t=1}^n PPR_t}{n}$$

$$PPR \text{ Average} = \frac{2,322}{23}$$

$$PPR \text{ Average} = 0,1$$

After measuring average relative market share of soy milk MSMEs Lumajang in comparison with all over competitors in the soy milk sector in Lumajang, furthermore, it determines whether Lumajang soy milk MSMEs have a relative market share that is included in the high (>1) and low (\leq 1) categories. The calculation results show a figure of 0.1; this indicates that Lumajang soy milk MSMEs have a relative market share that is included in the low category.

After conducting the research, the results of the analysis revealed that the majority of soy milk MSMEs were in the Dog quadrant quantitatively. Based on the data, the highest sales volume was 416,780 liters (MSMEs 7), while the highest PPR was 0.739 (MSMEs 1). The average PPR of 23 Lumajang soy milk MSMEs was 0.101. The majority of MSMEs have a market growth rate below 10%. So in theory, the results of the analysis using the BCG matrix place Lumajang soy milk MSMEs in the Dog quadrant.

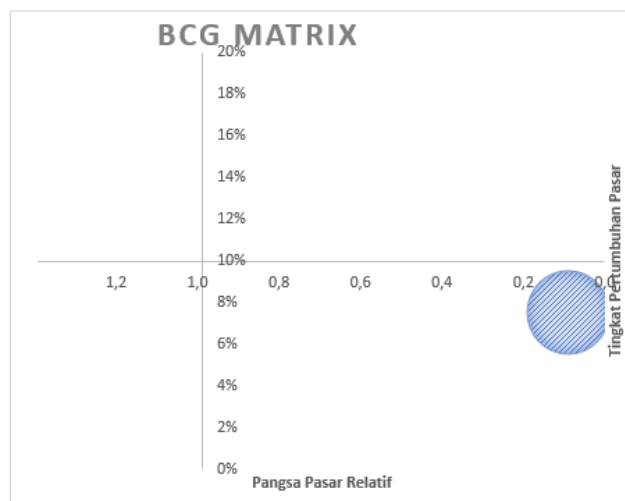


Figure 3. BCG Matrix of Lumajang soy milk MSMES in the Dog quadrant

Source: Processed Primary Data (2025)

Data Analysis Results

BCG Matrix Analysis of MSMES “Sari Kedelai”

For position “Sari Kedelai” MSMES business in BCG matrix then need count level growth of the business unit and its relative market share. The growth rate of the “Sari Kedelai” business unit is determined by calculating determined by calculating using the following formula.

$$TPP = \frac{\text{sales volume 2024} - \text{sales volume 2023}}{\text{sales volume 2023}}$$

$$TPP = \frac{5850 \text{ liter} - 5700 \text{ liter}}{5700 \text{ liter}}$$

$$TPP = 3\%$$

After measure level growth sales of MSMES “Sari Kedelai”, next categorize whether level the growth of MSMEs including category high ($>10\%$ per year) and low ($\leq 10\%$ per year). The calculation results show a figure of 3%, which means that the growth rate of the Lumajang soy milk MSMES market is included in the low category because it is in the position of $\leq 10\%$ per year. Then, to find out the relative market share of the “Sari Kedelai” MSMES in Lumajang Regency, it was analyzed using the following formula

$$PPR = \frac{VP_{2024}}{VPP_{2024}}$$

$$PPR = \frac{VP_{2024}}{VPP_{2024}}$$

$$PPR = \frac{5850 \text{ liter}}{416780 \text{ liter}}$$

$$PPR = 0,014$$

Information

PPR : Relative Market Share

VP_N : MSMEs sales volume last year

VPP_N : Competitors ' sales volume year final

After knowing the average value of the relative market share of the “Sari Kedelai” MSMES compared to the largest competitor in the soy milk sector in Lumajang. Next, determine whether the Lumajang soy milk MSMES has a relative market share that is included in the high (>1) and low (≤ 1) categories. The calculation results show a figure of 0.014; this indicates that the Lumajang soy milk MSMES has a relative market share that is included in the

low category. After conducting research, the results of the analysis revealed that the “Sari Kedelai” MSMEs is in the Dog quadrant quantitatively.

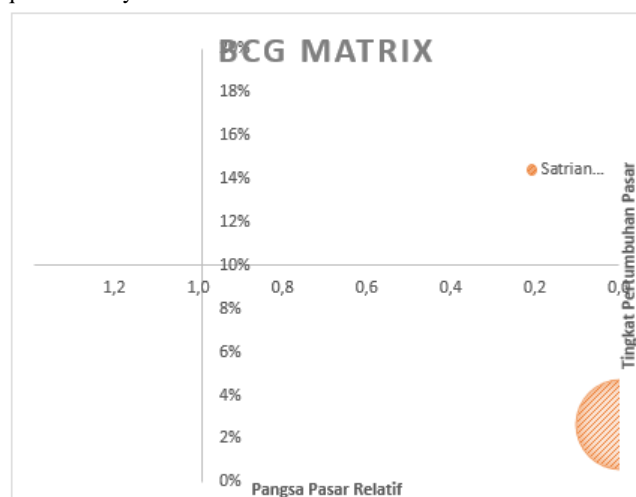


Figure 4. BCG Matrix of MSMES “Sari Kedelai”

Source: Processed Primary Data (2025)

BCG Matrix Analysis of MSMES “Sule Firanty”

To find out the position of the “Sule Firanty” MSMES business in the BCG matrix, it is necessary to calculate the growth rate of the business unit and its relative market share. The growth rate of the “Sule Firanty” business unit is determined by calculating using the following formula.

$$TPP = \frac{\text{sales volume 2024} - \text{sales volume 2023}}{\text{sales volume 2023}}$$

$$TPP = \frac{10417,5 \text{ liter} - 10400 \text{ liter}}{10417,5 \text{ liter}}$$

$$TPP = 0\%$$

After measure level growth sales of MSMES “Sari Kedelai”, next categorize whether level the growth of MSMEs including category high ($>10\%$ per year) and low ($\leq 10\%$ per year). The calculation results show a figure of % which means that the growth rate of the Lumajang soy milk MSMES market is included in the low category because it is in the position of $\leq 10\%$ per year.

Then, to find out the relative market share of the “Sari Kedelai” MSMES in Lumajang Regency, it is necessary to determine and analyze it using the following formula.

$$PPR = \frac{VP_{2024}}{VPP_{2024}}$$

$$PPR = \frac{VP_{2024}}{VPP_{2024}}$$

$$PPR = \frac{10417,5 \text{ liter}}{416780 \text{ liter}}$$

$$PPR = 0,025$$

Information

PPR : Relative Market Share

VP_N : MSMEs sales volume last year

VPP_N : Competitors ' sale year volume final

After knowing the average value of the relative market share of the “Sule Firanty” MSMES compared to the largest competitor in the soy milk sector in Lumajang. Next, determine whether the Lumajang soy milk MSMES has a relative market share that is included in the high (>1) and low (≤ 1) categories. The calculation results show a figure of 0.025; this indicates that the Lumajang soy

milk MSMES has a relative market share that is included in the low category.

After conducting research, the results of the analysis revealed that the “Sule Firanty” MSMES was in the Dog quadrant quantitatively.

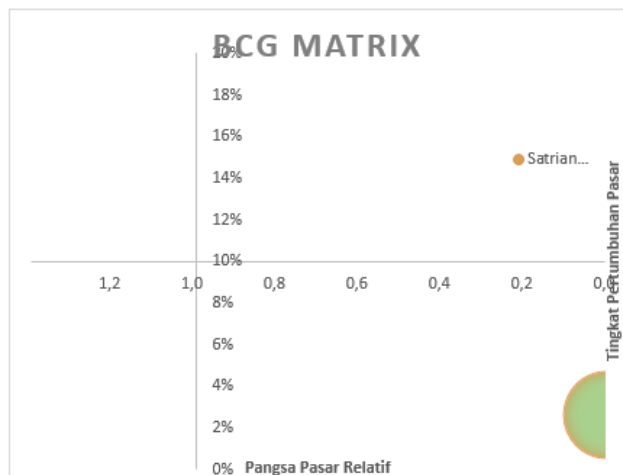


Figure 5. BCG Matrix MSMES “Sule Firanty”
Source: Processed Primary Data (2025)

3. Porter's Relevant Generic Strategies

In facing the threat of new entrants, the competitive strategy that can be adopted by soy milk SMEs that have characteristics like businesses in the dog quadrant is a strategy that emphasizes efficiency, quality consistency, and focus on existing markets. In Michael Porter's generic strategy framework, the strategies that are relevant to soy milk SMEs are as follows.

- Focus, focus on certain market segments such as loyal customers, customers who are sensitive to distinctive flavors, or consumers who like soy milk products without preservatives.
- Cost Leadership, increasing production efficiency, reducing waste of raw materials, and using simple technology to reduce costs.
- Differentiation, providing uniqueness to soy milk products such as distinctive flavors, environmentally friendly packaging, halal certification and hygiene.

Here are several alternative strategies that are suitable for implementation in the dog quadrant according to the main concept of Porter's generic strategy, the following are as follows.

a. Harvest Strategy (Survival Strategy)

This strategy is carried out by continuing to serve loyal customers and not expanding. Harvest strategy is to maintain cash flow while avoiding new costs (Wheelen & Hunger, 2015). Simply put, not do subtraction and addition production.

b. Niche (Small Market Focus)

This strategy is carried out by only serving subscription customers or certain communities. This small market focus is effective for units that are not market dominant (Porter, 1985) .

c. Cost Efficiency (Efficiency) Cost

By reducing expenses, purchasing cheaper raw materials, and saving on product distribution to customers, this could be an alternative strategy for achieving cost efficiency.

d. Simple Differentiation (Modification) Light)

Light differentiation can extend the product life cycle without high costs (Hill et al., 2015). In the context of soy milk SMEs, this is done by adding unique flavors or attractive packaging without high costs.

e. Alliance (Local Collaboration)

Local collaboration can help the efficiency of small MSMES (Dyer et al., 2001). Additional simple technologies such as pre-orders via Whatsapp are effective for MSMES that survive in the digital era (Rahayu & Day, 2017). Combining sales of soy milk products with other MSMES products using attractive promotions, shopping for raw materials in the same place to get cheaper prices with larger quantities can be implemented if collaborating with other MSMES.

Discussion of Research Results

The results of the study show that the position of the “Sari Kedelai” and “Sule Firanty” MSMES is in the Dog quadrant, thus encouraging business owners to maintain existing markets, rather than carrying out large-scale expansion. Business units that have a relatively low market share position and compete in industries with slow or no market growth; they are included in the dog category in the company's portfolio. Due to their weak internal and external positions, these businesses are often liquidated, divested, or cut through layoffs (David & David, 2017) . However, in the context of micro-scale MSMES that are a source of family income, such an approach is not entirely relevant.

However, the results of interviews and observations show that MSMES still have loyal customers and stable cash flow. Therefore, in the local context, researchers conclude that these MSMES behave like businesses in the Cash Cow quadrant, although they do not meet the full quantitative requirements. Therefore, when a business unit is in the Dog quadrant, it does not necessarily immediately carry out a liquidation, divestment, or even business transfer strategy.

Field findings show that both soy milk MSMES have survived for more than 10 years. They have loyal customers, positive cash flow, and maintained quality. Low market growth indicates a market that has entered a mature stage where almost all consumers have used or purchased the product. Therefore, the main source of growth is from repeat purchases, not from adding new customers (Ahmad, 2025). Thus, the threat of new entrants cannot be underestimated because it can capture loyal customers. Therefore, the dog position is more appropriately understood as a signal of the need for a local survival and adaptation strategy and not as a sign of an unviable business (Wheelen & Hunger, 2015). So the Dog position in the context of MSMES can be reinterpreted as a sign of the need for an adaptive and efficiency-based survival strategy.

Then, related to the threat of new entrants in the soy milk industry, it is known that MSMES choose to survive and maintain consumer loyalty in their own way. The strategies chosen tend to be realistic and defensive, not offensive. This shows that MSMES' competitive strategies are more driven by considerations of internal resources and local market experience.

Furthermore, after the business portfolio was formulated, the researcher conducted direct confirmation with two MSMES owners. This step was taken to find out which strategy was most likely and realistic to be implemented by each MSMES. By analyzing the internal capabilities of each MSMES independently

in facing the threat of new entrants; the core of the interview is as follows.

1. Strategy of MSMES "Sari Kedelai"

Mrs. Satriana Ningsih offers soy milk products only in 250 ml bottle packaging. Distribution is done directly to customers and regular resellers when the soy milk is packaged. The "Sari Kedelai" product consists of several flavor variants including plain, original, chocolate, melon, and strawberry. The products offered have simple flavor variations and do not use preservatives. Based on the results of an unstructured interview with Ms. Satriana Ningsih, the following are several alternative strategic options that have been and will be implemented in order to maintain the sustainability of the soy milk business.

a. Harvest Strategy (Survival Strategy)

Mrs. Satriana Ningsih explained a little about her background, mentioning that she used to make soy milk before her husband passed away, but had to stop. Then, after her husband died, she could not continue her husband's work. He had traded eggs, chicken, and ducks so that he could pursue work in soy milk production to continue their life.

This strategy was chosen to keep cash flow stable. Mrs. Satriana Ningsih continues to produce soy milk for her loyal customers. However, she also complained if there were resellers who did not give early notice of the holidays so that the amount of soy milk produced was not finished and she had to sell it herself to people who were not her regular customers. This is certainly detrimental if the soy milk is not sold out for new customers because the soy milk is made with quality without preservatives.

b. Niche (Small Market Focus)

With serve customer loyal, he also does not close existence order addition If of course needed. Mrs. Satriana Ningsih's attitude is very good to continue to advance to maintain and develop her soy milk business. She also added that there are loyal customers in the communities she joined. By continuing to build good and professional relationships, Mrs. Satriana Ningsih will continue to gain trust in producing soy milk with guaranteed quality. Word of mouth promotion is also one of the promotions that can develop a business because there is a value of "trust" in it. Especially word of mouth promotion carried out by career mothers and housewives.

c. Simple Differentiation (Slight Modification)

There is an interesting idea from Mrs. Satriana Ningsih to compete with her new product, Soya Jelly. However, there are limitations in the distribution of this new product. Even though it tastes good according to the editorial staff of Mrs. Satriana Ningsih's customers, it's just that the public's purchasing power is low for this Soya Jelly product.

d. Alliance (Local Collaboration)

Mrs. Satriana Ningsih actively offers her products on Whatsapp to her community. This is a good attitude shown by Mrs. Satriana Ningsih in picking up the ball rather than just waiting for the ball. The choice of cost efficiency strategy is not really glanced at by Mrs. Satriana Ningsih because she prefers bottle packaging to plastic like other competitors. According to her, bottle packaging is more attractive and it is true that her soy milk is almost gone every day without a trace.

2. MSMES Strategy "Sule Firanty"

Unlike Mrs. Satriana Ningsih, Mrs. Sri Wahyuni sells her soy milk products in plastic packaging that is sold for a thousand rupiah. She will use bottle packaging if there are customers who request it. The flavors offered by Mrs. Sri Wahyuni include original, melon, and strawberry. She also provides ginger and ginger brown sugar flavors at certain events. Based on the results of an unstructured interview with Mrs. Sri Wahyuni, here are some alternative strategic options that have been and will be carried out in order to maintain the sustainability of the soy milk business.

a. Harvest Strategy (Survival Strategy)

Mrs. Sri Wahyuni's soy milk production does not add or reduce on a daily basis. She only serves regular customers who take it every day. Mrs. Sri Wahyuni once said that the production of soy milk alone is not enough to support her daily life. In addition to selling soy milk, her main source of income comes from selling herbal medicine and fresh fruit juice. Mrs. Sri Wahyuni does not want to close her soy milk business because she does not want to disappoint customers and the results of the soy milk can be used as an additional source. There is a social value in principle to help her resellers find additional living expenses and consumers of her products drink quality soy milk.

b. Niche (Small Market Focus)

Because she implemented a survival strategy, Mrs. Sri Wahyuni only focused on serving her loyal customers. In addition to resellers, Mrs. Sri Wahyuni also has customers in her community. However, she also does not close the door to customers who want to order for an event. Many customers already trust the quality of Mrs. Sri Wahyuni's soy milk and usually those who order for events ask for soy milk to be packaged in bottles.

Mrs. Sri Wahyuni did not implement a cost efficiency strategy because there was nothing that could be cut or reduced. She also did not like the idea of modifying her soy milk products. This is because she used to make durian, srikaya, and chocolate variants but few people were interested. Therefore, she focused on the flavor variants that sold out, namely original, melon, and strawberry which were her customers' favorites. As for collaboration with other MSMEs, Mrs. Sri Wahyuni admitted that she had the experience of not selling out. So, she only uses this strategy during the month of Ramadan.

From the explanation above, although both face the threat of new entrants, the MSMES "Sari Kedelai" and "Sule Firanty" have different business backgrounds. This difference in business background causes the selection of alternatives used by both of them to also be different. MSMES "Sari Kedelai" chooses harvest strategy, niche, simple differentiation, and alliance. In Porter's generic strategy theory, Mrs. Satriana Ningsih chooses the focus and differentiation strategy. While MSMES "Sule Firanty" chooses the alternative strategy harvest strategy and niche which in Porter's generic strategy is included in the focus strategy. So, the strategies chosen and implemented by the two MSMES are in accordance with the BCG matrix analysis and Porter's generic strategy analysis for small businesses that are stable but not growing rapidly.

CONCLUSION

Based on the discussion above, here are the conclusion of this study : 1) The market growth rate of the "Sari Kedelai" MSMES is 3% and the "Sule Firanty" MSMES is 0%; 2) The relative market share rate of the "Sari Kedelai" MSMES is 0.014 and the "Sule

Firanty " MSMES is 0.025; 3) Relevant competitive strategies for MSMES "Sari Kedelai" and MSMES "Sule Firanty" based on position dog is harvest strategy, niche, cost efficiency, simple differentiation, and alliance; 4) Relevant competitive strategies for the MSMES "Sari Kedelai" and MSMES "Sule Firanty" based on Porter's analysis of the threat of new entrants, there are focus and differentiation.

Interview results show that: 1) MSMES "Sari Kedelai " chooses the harvest strategy, niche, simple differentiation, and alliance strategy with still maintain customer loyal, production limited, and variation product new namely Soya Jelly as mark plus product; 2) MSMES "Sule Firanty " chooses the harvest strategy and niche strategy with depend on distribution through reseller as well as price affordable products for maintain sales volume. The strategies chosen Both MSMEs show that BCG theory and porter's generic strategies can used in a way flexible and adaptive for formulate competitive strategies, provided that consider condition real and limitations source the power possessed by MSMES owners.

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