

Optimization Of Chicken Satay Culinary Business Based on Local Wisdom: Empirical Study of Gang Sate Jalan Lawu Ponorogo

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Abstract: *Indonesia has abundant resource potential, but still faces problems of poverty and unemployment. MSMEs, particularly the culinary sector, play an important role in economic development with their contribution to employment and GDP. Local wisdom-based culinary, such as Ponorogo Chicken Satay, has great potential to increase community income and preserve regional culture. This study focuses on the optimization of the Chicken Satay culinary business in Gang Sate Jalan Lawu Ponorogo. The aim is to analyze the potential, challenges, and development strategies of local wisdom-based businesses to support the improvement of community welfare and regional economic growth. This research analyzes the potential and development strategies of the Ponorogo Chicken Satay business at Gang Sate Jalan Lawu, Ponorogo. The method used is descriptive qualitative with an empirical approach. Data were obtained through observation, structured interviews, and documentation from satay producers. A purposive sampling technique was used to select informants. The results showed that the Ponorogo Chicken Satay business plays an important role in the local economy and preservation of regional culture.*

INTRODUCTION

This Indonesia is known as a country rich in natural and cultural resources, but the challenge of improving people's welfare and the national economy is still a fundamental problem. The high level of poverty, unemployment, and limited employment opportunities indicate the need for concrete efforts to encourage inclusive and sustainable economic development. One sector that has a strategic role in facing this challenge is Micro, Small, and Medium Enterprises (MSMEs). The MSME sector has been proven to have a major contribution to the national Gross Domestic Product (GDP), employment absorption, and economic resilience, especially when facing an economic crisis.

Culinary businesses, as part of MSMEs, have bright prospects in Indonesia. In addition to meeting the basic needs of the community for food, this business also shows strong resilience in facing increasingly tight competition. According to data from the Ministry of Tourism and

Creative Economy, the culinary sector continues to record significant growth, both in terms of income and the number of businesses. The trend of culinary tourism based on local wisdom is one aspect that helps strengthen the attractiveness of this sector. Creativity in serving food and processing local ingredients not only enriches the culinary experience, but also supports economic sustainability through increased income and job creation.

Ponorogo Regency is one of the regions in Indonesia that has great potential in developing culinary tourism based on local wisdom. The culinary icon of this region, Sate Ayam Ponorogo, has long been known as a tourist attraction. One of the iconic culinary business centers in Ponorogo is Gang Sate on Jalan Lawu. This area is a magnet for local and foreign tourists who want to enjoy the distinctive taste of chicken satay as well as a symbol of the success of utilizing local potential to support the community's economy.

However, optimizing culinary businesses in this area still faces various challenges, such as increasingly tight competition and the need for innovation to maintain product appeal. Therefore, this study aims to analyze optimization strategy of Ponorogo Chicken Satay culinary business based on local wisdom in Gang Sate Jalan Lawu. Through an empirical approach, it is expected that the results of this study can provide relevant recommendations for the development of local-based culinary businesses to support sustainable regional economic development. By considering the background that has been explained, the research problem can be formulated as follows: how is the development of the chicken satay culinary business in Ponorogo based on local wisdom? The purpose of this study is to determine the development of the Ponorogo chicken satay culinary business based on local wisdom.

METHOD

This study uses a qualitative descriptive method with an empirical approach. This approach aims to describe social phenomena in natural settings from the informant's perspective, build a complex and comprehensive picture, and interpret data in depth (Creswell, 2013; Moleong, 2006). The study focuses on the chicken satay culinary business in Gang Sate, Nologaten Village, Ponorogo District, Ponorogo Regency. The research objects include chicken satay producers who are pioneers in creating the culinary tourism location.

This study evaluates the role of chicken satay culinary businesses in increasing local economic potential in Ponorogo Regency. The focus includes the production process, sales, and branding of businesses in the community. The study was conducted in Gang Sate, Jalan Lawu, Nologaten Village, Ponorogo Regency, for 3 months. The stages of the study include planning, implementation, and preparation of reports. The subjects of the study were chicken satay producers in Gang Sate. The selection of informants used a purposive sampling technique, with the criteria of informants who had in-depth insight into the chicken satay business. The list of informants included eight chicken satay producers, such as Suroto Sobikun, H. Saikun, and others. The main instrument of the study was the researcher as the main tool for conducting observations, interviews, and documentation. Tools include interview guidelines, observation sheets, and data recording devices.

Data collection technique:

1. Observation

Direct observation was conducted on the production, sales, and branding activities of the satay business.

2. Interview

Structured interview techniques were applied with pre-prepared question guides to obtain in-depth information from chicken satay producers.

3. Documentation

Supporting data such as sales documents, business profiles, and agency records related are also collected.

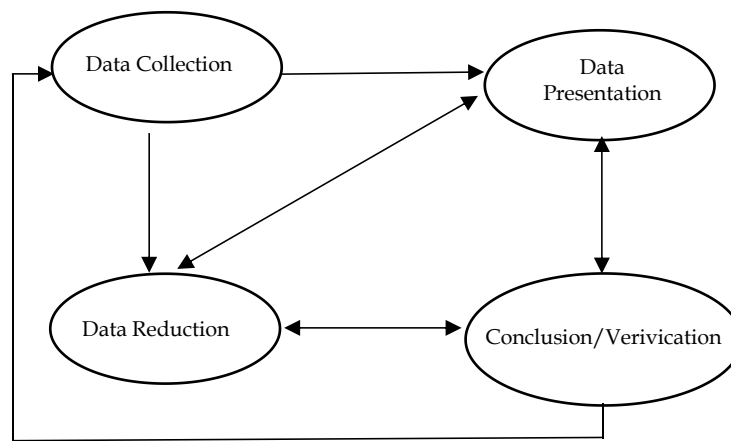


Figure 1. Qualitative Data Analysis Techniques

Validity testing uses data triangulation (comparing observation results, interviews, and documents) and increasing persistence through continuous observation. Data analysis follows the interactive model of Miles & Huberman, including:

1. Data Collection: Collecting data from observations, interviews, and documents.
2. Data Reduction: Summarize and focus data on main themes.
3. Data Presentation: Arrange data in the form of descriptions or diagrams to make it easier to understand.
4. Drawing Conclusions: Drawing conclusions based on valid and consistent data.

This method is designed to describe the role of chicken satay culinary business in advancing local economic potential in Ponorogo Regency in depth and systematically.

RESULT AND DISCUSSION

This study comprehensively reveals the strategic role of satay businesses in Gang Sate Ponorogo in supporting the local economy, absorbing labor, and preserving local wisdom through a traditional approach combined with innovation. The results of the study indicate that satay businesses not only provide significant economic contributions to business actors' income, but also serve as a means of strengthening local cultural identity as a culinary attraction. This is in line with Tambunan's research (2009) in the journal *Small and Medium Enterprises in Indonesia*, which emphasizes that MSMEs have a key role in improving people's welfare through job creation and increasing income in the informal sector. Furthermore, research by Fatimah et al. (2020) in the *Journal of Economics and Development* also emphasized that traditional culinary businesses with the support of technological innovation are able to expand market access, increase business profits, and encourage the sustainability of a locally-based economy.

This study also conducted a GAP analysis that identified the gap between the development of traditional culinary businesses that are still limited in the use of digital technology with existing

opportunities to expand market competitiveness. Most of the satay traders in Gang Sate have tried to use social media and online services to market their products, but this utilization is still partial and not optimal. This is different from the findings of Setyawan & Wibowo (2019) in the international Journal of Business and Economic Development, which states that the implementation of digital technology can improve business efficiency, expand global markets, and increase the productivity of micro and small businesses. This GAP analysis shows the need for a more systematic approach to integrating digital technology with traditional culinary business sustainability strategies, so that it can maximize existing economic potential.

The novelty of science in this research lies in the focus on culinary businesses. traditional identified from five main aspects, namely business development, economic income, labor absorption, innovation in marketing, and the role of local wisdom. In this context, the satay business in Gang Sate Ponorogo is one example of a business that is able to survive and develop thanks to a combination of traditional management and innovation efforts. This finding strengthens Schumpeter's theory (1934) regarding innovation as the main driver of economic development through the creation of new products, methods, or markets. In addition, local wisdom maintained in the processing of Ponorogo's signature satay also reflects Geertz's (1963) thinking about the role of local culture as a foundation for a sustainable economy that can strengthen the social identity of the community while creating economic appeal through the tourism sector.

The results of this study show several important findings that can be used as references in the development of small businesses based on local culinary. First, the satay business in Gang Sate Ponorogo was able to grow significantly through simple but effective business innovations. This is supported by a more modern marketing strategy through digital media, although it has not been fully optimized. Second, in terms of income, the satay business provides a large economic contribution, with annual profits reaching IDR 1.334 billion, which is in line with the research of Kurniawan et al. (2017) in Economic Development Analysis Journal which states that small culinary-based businesses can encourage microeconomic growth. Third, satay businesses also play a role in absorbing local labor, both in production, sales, and product distribution. This finding is relevant to the research of Hidayatullah & Firmansyah (2021) in International Journal of Economic Perspectives, which shows that MSMEs contribute significantly to reducing unemployment rates by empowering workers from the surrounding environment.

In addition, this study found that the role of technological innovation in the satay business, especially through social media and online platforms, began to show increased market access. This finding supports the study of Rahayu & Day (2015) in the international journal Electronic Markets, which states that the use of digital technology in micro businesses can increase competitiveness and reach wider consumers. However, limitations in the use of technology are still an obstacle, especially related to digital literacy of business actors and limited supporting resources. On the other hand, the satay business in Gang Sate Ponorogo also utilizes local wisdom as a product characteristic, which is an attraction for tourists and local consumers. This local wisdom involves the tradition of processing satay that has been passed down from generation to generation, which not only maintains the quality of taste but also creates cultural value in the product.

Compared with previous research, such as research by Prasetyo et al. (2021) in Journal of Economics which focuses on the impact of culinary economy on tourism, this study has the advantage of integrating five main indicators, namely business development, income,

employment absorption, innovation, and local wisdom. Meanwhile, research by Amankwah-Amoah et al. (2018) in the journal *International Business Review* highlighting the importance of innovation in micro-enterprises, but underemphasizing the local cultural aspects that are the focus of this study. Thus, this study provides significant scientific and practical contributions, especially in understanding the role of traditional culinary businesses as drivers of the local economy and cultural preservation. These findings can be a reference for local governments and policy makers in formulating more sustainable small business development strategies, by combining technological innovation and preservation of local wisdom as the main foundations for community-based economic development.

CONCLUSION

Based on the findings and discussions in this study, several conclusions can be drawn as follows:

1. The culinary business of satay in Gang Sate, Jalan Lawu Ponorogo, plays an important role in encouraging the economic development of the local community and preserving local wisdom. The turnover of more than one billion rupiah has a significant impact on the economy of Gang Sate residents. In addition, this business also opens up opportunities for those who do not have the capital to sell by providing jobs as employees in satay stalls.
2. Along with the development of the culinary center of satay in Gang Sate, product marketing is increasingly widespread through online platforms. People outside Ponorogo can now easily see and order satay via the internet. This makes it easier for tourists who come to Ponorogo to get to know Gang Sate and taste the culinary satay there. With increased marketing, satay traders are increasingly benefiting from the increasing number of visitors.
3. Although the culinary business of satay in Gang Sate Jalan Lawu Ponorogo has shown positive development, there are several challenges and obstacles faced by traders. Some of them are the increase in the price of raw materials which is difficult to balance with the increase in selling prices, tight business competition due to the large number of satay traders, and a lack of understanding of financial management.

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