

Strategy For the Development of Mrs. Yanti's Coconut Oil Business in Simbang Village, Sub-District Majene Regency

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KEYWORDS

Business Development Strategy; Mandar Coconut Oil; Business Performance; SWOT analysis; Household Industry

ABSTRACT

The Mandar coconut oil business is a household industry based on local resources that holds economic and cultural value for the people of Majene Regency. However, its sustainability faces various obstacles, particularly limited capital, weak marketing management, and high competition from factory-produced oil. This study aims to analyze the development strategy of Mrs. Yanti's coconut oil business in Simbang Village, Sub-District Majene Regency to improve her business performance. The research employs a descriptive qualitative approach with a case study method. Data were collected through observation, in-depth interviews, and documentation, then analyzed using a SWOT analysis approach via the preparation of IFAS, EFAS, and SWOT matrices. The results show that the Mandar coconut oil business has key strengths, including the availability of raw materials, preservative-free product quality, and consumer trust. The greatest opportunities arise from the product's character as a regional specialty and the development of information technology. SWOT mapping positions the business in the growth quadrant, so the recommended strategy is an aggressive one—particularly improving product quality, enhancing packaging, utilizing digital promotional media, and strengthening capital through access to business financing. Implementing this strategy is expected to enhance business performance and ensure the sustainability of the Mandar coconut oil household industry.

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INTRODUCTION

The development of local resource-based businesses is a strategic issue in the sustainable economic development agenda in various countries, especially in the small-scale agribusiness sector and household industries (Banks, 2013; Lurie & Brekken, 2019; Quansah et al., 2022). At the global level, micro- and small businesses based on agricultural commodities play an important role in maintaining food security, creating jobs, and improving the welfare of rural communities (Evizal & Prasmatiwi, 2021). However, market globalization and the development of the modern food industry have led to increasingly fierce competition between traditional products and large-scale manufactured products. This condition requires small business actors to adopt adaptive business development strategies to maintain their existence and improve their business performance (Adetoyinbo et al., 2025; Andayani et al., 2021; Saah et al., 2024). In this context, business development strategies and business performance are two interrelated key variables that determine the sustainability of domestic industries based on local commodities, including traditional coconut oil processing businesses.

Various studies show that micro businesses and household industries generally face limitations in terms of capital, technology, management, and market access (Rangkuti, 2013). Internal factors—such as human resource skills, raw material quality, production equipment, and marketing systems—are often the main obstacles to business development. External factors—such as changes in consumer tastes, fluctuations in raw material prices, and the entry of substitute products from large industries—further exacerbate the challenges faced by small business actors (Kotler & Keller, 2016). In the traditional coconut oil business, these problems are even more complex because products are produced using traditional methods, have limited shelf life, and lack adequate business management and promotion (Rahman & Kandatong, 2022).

The combination of these internal and external factors directly impacts business performance in terms of production, marketing, and revenue. Low business performance leads to unstable production volumes, limited marketing reach, and fluctuating—or even declining—income for business actors (Amelyawati et al., 2023). In the long run, this condition can cause traditional businesses to lose competitiveness, be abandoned by consumers, and eventually cease operations. This phenomenon is evident in many traditional coconut oil businesses across various regions, including Majene Regency, amid the growing dominance of manufactured cooking oil, which is more practical and has a longer shelf life (Fitriani et al., 2023).

The business development strategy in this study is understood as a series of planned efforts by business actors to leverage internal strengths and external opportunities while minimizing weaknesses and threats (Rangkuti, 2013). This strategy encompasses aspects of production, marketing, capital, and human resource management. Meanwhile, business performance refers to business achievements measured through operational indicators such as production processes, marketing systems, revenue, and sustainability (Wahyuning & Wijayanti, 2020). The relationship between business development strategy and business performance is causal: the right strategy is expected to enhance efficiency, productivity, and overall business competitiveness.

Mrs. Yanti's Mandar coconut oil business in Desa Simbang represents a household industry with both economic and cultural value. Mandar coconut oil is a traditional regional product processed without preservatives, featuring a distinctive aroma and believed by the public to offer health benefits (Nitbani et al., 2022). Although it has operated for decades, the business has not seen significant development in management or marketing. The novelty of this research lies in its analysis of business development strategies based on the real conditions of the Mandar coconut oil household industry, using a SWOT approach directly linked to business performance to produce contextual, applicative, and relevant strategy recommendations tailored to local traditional businesses.

The urgency of this research stems from the growing threat to traditional coconut oil businesses due to competition from manufactured products and insufficient managerial and capital support. Without a proper development strategy, the Mandar coconut oil business risks losing its economic role for business actors' households and the surrounding community. Moreover, Mandar coconut oil as a distinctive local product has potential as a regional superior commodity if managed professionally and sustainably (Badan Pusat Statistik Kabupaten Majene, 2025). Therefore, scientific studies are needed to identify the business's internal and

external conditions and formulate development strategies that enhance performance and sustainability.

Based on this problem background, this study aims to analyze the development strategy for Mrs. Yanti's Mandar coconut oil business in Simbang Village. Specifically, it seeks to identify internal and external factors affecting business performance, evaluate the business's strategic position through SWOT analysis, and formulate alternative development strategies to improve the performance and competitiveness of the Mandar coconut oil household industry.

The results of this study are expected to offer practical and academic benefits. For coconut oil business actors, it can inform strategic decisions related to business development. For local governments, the findings can serve as input for policies and programs empowering local agribusiness-based microenterprises. Academically, this research enriches studies on business development strategies and performance in local commodity-based household industries and provides a reference for future research on coconut oil businesses or similar ventures in other regions.

METHOD

This research employed a qualitative approach with a descriptive design to gain a deep understanding of the real conditions of the Mandar coconut oil business and the development strategies that could improve its performance. The descriptive approach was chosen because the research focused on systematically, factually, and contextually depicting field phenomena based on the actual conditions of the business actors. Through this approach, the research examined the relationship between business development strategies and the performance of the Mandar coconut oil household industry, without testing statistical hypotheses but emphasizing the analysis of meanings and patterns emerging from field data (Sugiyono, 2019).

This research was conducted on Mrs. Yanti's Mandar coconut oil business in Simbang Village, Pamboang Subdistrict, Majene Regency. The research location was selected purposively because the business represented one of the longstanding traditional coconut oil household industries known to the local community. This site was deemed relevant for comprehensively describing the challenges and potential for developing the Mandar coconut oil business. The research took place from September to October 2025, considering data availability, business production activities, and informant readiness.

This research focused on the development strategies for the Mandar coconut oil business and their relationship to household industry performance. The scope covered key aspects: internal business conditions—including raw material availability, production processes, human resources, equipment, and capital—as well as external conditions, such as market opportunities, competition, and environmental support. It also examined business performance through production, marketing, revenue, and sustainability. This focus served as the basis for formulating relevant and applicable business development strategies.

The population comprised all Mandar coconut oil business activities managed by Mrs. Yanti in Simbang Village, Pamboang Subdistrict, Majene Regency. Given the qualitative case study method, the analysis unit was a single case: Mrs. Yanti's Mandar coconut oil business. This single-unit focus aimed to achieve a deep, holistic understanding of the business dynamics, challenges, and applicable development strategies aligned with its characteristics.

The main informant was the business owner, Mrs. Yanti, who directly managed all aspects from raw material procurement and production to marketing. Informants were selected purposively based on their knowledge, experience, and direct involvement. The information

gathered served as the primary source for understanding internal and external business conditions and formulating development strategies.

The data consisted of primary and secondary sources. Primary data were collected through direct interactions with informants and observations of Mandar coconut oil business activities, covering business profiles, production processes, marketing systems, revenue, and developmental challenges and opportunities. Secondary data were sourced from relevant materials, such as local government documents, publications from Statistics of Majene Regency, and scientific literature on coconut oil business development and strategy analysis. These data strengthened the analysis and provided broader context for the findings.

The primary research instrument was the researcher, who served as data collector, processor, and analyzer. Supporting tools included interview guidelines, observation sheets, and documentation. Interview guidelines ensured focused information extraction aligned with research objectives, while observations captured real-time production and management activities. Documentation supplemented field data with notes, photos, and relevant documents.

Data collection involved observation, in-depth interviews, and documentation. Observations provided direct insights into business conditions, production processes, and actor-environment interactions. In-depth interviews with the main informant explored experiences, perceptions, and implemented or planned strategies. Documentation complemented these methods, ensuring comprehensive and reliable data.

Data analysis was conducted qualitatively using a SWOT approach. Collected data were reduced, presented, and synthesized systematically. SWOT analysis identified strengths, weaknesses, opportunities, and threats facing the Mandar coconut oil business. The results informed alternative development strategies to enhance performance. IFAS and EFAS matrices were developed to objectively map the business's strategic position.

To ensure data validity, source and method triangulation were employed. Interview data were cross-verified with observations and documentation, yielding high trustworthiness. Data consistency was maintained by aligning field findings with secondary sources and relevant literature.

RESULTS AND DISCUSSION

This research was carried out on Mrs. Yanti's Mandar coconut oil business located in Simbang Village, Pamboang District, Majene Regency. Simbang Village is an area where most of the people depend on the agricultural sector and household businesses based on local commodities, especially coconuts, for their livelihoods. The abundant availability of raw materials makes the coconut processing business one of the economic activities that has developed for a long time in this region (Central Statistics Agency of Majene Regency, 2025).

This research was carried out on Mrs. Yanti's Mandar coconut oil business located in Simbang Village, Pamboang District, Majene Regency. Simbang Village is an area where most of the people depend on the agricultural sector and household businesses based on local commodities, especially coconuts, for their livelihoods. The abundant availability of raw materials makes the coconut processing business one of the economic activities that has developed for a long time in this region (Central Statistics Agency of Majene Regency, 2025).

The production process is still carried out traditionally with wet methods, starting from grating coconut meat, squeezing coconut milk, cooking coconut milk to separating oil and blondo (tai lomo). The whole process takes a relatively long time, which is about 5–6 hours for a single production. In one production process, an average of about 30 liters of coconut oil is produced which is then packaged in a 5-liter jerry can or 1-liter bottle.

Table 1. Summary of Mandar Coconut Oil Business Production Performance

Production Aspects	Remarks
Raw Material	Deep coconut (100–400 Item/month)
Production method	Traditional (wet method)
Production time	± 5–6 hours/cycles
Output	± 30 liters/cycle
Production frequency	± 4 Times/Month

Source: Primary Data, 2025

The marketing of Mandar coconut oil products is still limited to the Pamboang District and its surroundings. The marketing system is carried out through two main channels, namely direct sales to consumers who come to the production site and sales through retail traders in traditional markets. This business has not utilized modern promotional media or digital marketing, so the market reach is relatively narrow (Kotler & Keller, 2016). The price of the product is determined based on the cost of production and market conditions. Mandar coconut oil is sold at a price of IDR 60,000 per liter and IDR 300,000 per 5-liter jerry can. This pricing is considered quite competitive in the local market, but still inferior to the manufacturer's cooking oil which has a longer shelf life.

Mandar's coconut oil business income is obtained from the difference between total revenue and total production costs. Based on the results of the research, in one month Mrs. Yanti carried out an average of four productions with a total revenue of around IDR 2,400,000. The total production costs incurred, including raw material and operational costs, reached around IDR 2,000,000 per month, so that the net income obtained ranged from IDR 100,000 to IDR 400,000 per month.

This relatively low income shows that the Mandar coconut oil business still functions as a source of additional income, not yet the main business that is able to optimally support household economic needs (Amelyawati et al., 2023). The results of the study show that the Mandar coconut oil business has several main strengths, including the abundant availability of raw materials, the quality of products produced without preservatives, and the skills of human resources that have been formed for generations. In addition, the distinctive aroma and taste of Mandar coconut oil are a competitive advantage that distinguishes this product from manufactured cooking oil (Nitbani et al., 2022).

On the other hand, this business also has significant weaknesses, namely limited capital, the absence of trademarks, unattractive product packaging, and weak marketing management. These limitations hinder business development and narrow market expansion opportunities (Rangkuti, 2013).

Table 2. Internal Factors of Mandar Coconut Oil Business

Strength	Weaknesses
Raw materials available	Limited capital
Products without preservatives	Not having a brand
Experienced HR	Less attractive packaging
Distinctive aroma	Weak marketing management

Source: Primary Data, 2025

The main opportunities faced by the Mandar coconut oil business come from increasing public awareness of natural and healthy food products, as well as the development of information technology that opens up digital marketing opportunities. In addition, Mandar coconut oil is a local product typical of Majene Regency which has the potential to be developed as a regional souvenir (Fitriani et al., 2023). The biggest threat comes from the dominance of manufacturers' cooking oil, which has a relatively affordable price and longer shelf life. In

addition, fluctuations in the price of coconut raw materials are also a serious threat that can increase production costs and reduce business income (Rahman & Kandatong, 2022).

Table 3. External Factors of Mandar Coconut Oil Business

Opportunities	Threats
Natural product trends	Factory oil competition
Information technology	Raw material prices are unstable
Typical regional products	Modern consumer preferences

Source: Primary Data, 2025

This research was carried out departing from the urgency of maintaining the sustainability of the Mandar coconut oil business as a household industry based on local resources which is beginning to be pushed by the development of the modern food industry. The results of the study show that although Mandar's coconut oil business has advantages in terms of product quality, process authenticity, and cultural value, its business performance has not developed optimally. This condition strengthens the urgency of research to answer strategic problems related to the low competitiveness of traditional businesses in the face of external pressures in the form of the dominance of manufacturers' cooking oil and changes in consumer preferences (Fitriani et al., 2023).

The findings of the study indicate that without a structured and adaptive business development strategy, the Mandar coconut oil business has the potential to stagnate and even decline in sustainability. This is in line with the view of Evizal and Prasmatiwi (2021) who stated that local commodity-based businesses need contextual development strategies in order to be able to survive in the midst of global and national market dynamics.

The results of the study show that the Mandar coconut oil production process is still carried out traditionally with a relatively long production time and high dependence on manual labor. Although this method maintains the quality and distinctive aroma of the product, in terms of production efficiency, it is still relatively low. The production, which is only carried out about four times a month with an average output of 30 liters per cycle, reflects the limited capacity of the business to meet the potential for wider market demand.

This condition corroborates the findings of Al-Hamid et al. (2020) who stated that traditional methods of coconut oil processing tend to produce high-quality products, but have limitations in time efficiency and production scale. Thus, the main problem does not lie in the quality of the product, but in the ability of the business to increase productivity without sacrificing the typical characteristics of Mandar coconut oil.

The marketing aspect is the most dominant weak point identified in this study. The results of the study show that the marketing of Mandar coconut oil products is still conventional and limited to the local area. The absence of trademarks, unattractive packaging, and the absence of promotion make it difficult for products to compete with manufacturers' cooking oil that has a strong image in the eyes of consumers.

This finding is in line with Kotler and Keller (2016) who affirm that marketing not only functions as a product distribution activity, but also as a means of building consumer value and perception of a product. The absence of a planned marketing strategy causes the advantages of Mandar coconut oil products to not be conveyed effectively to the wider market, thus having a direct impact on low sales performance and business revenue.

The results of the SWOT analysis show that Mandar's coconut oil business has a number of internal strengths, including the abundant availability of raw materials, the quality of products without preservatives, and the skills of human resources that are formed from generation to generation. However, this strength has not been optimally utilized as strategic capital for business development.

This condition shows that there is a gap between the potential and implementation of the business strategy. According to Rangkuti (2013), internal strength will only provide added value if it is integrated into market-oriented strategic planning. In the context of Mandar's coconut oil business, the strength of product quality and consumer trust should be the main foundation in brand development and product differentiation.

Limited capital, weak marketing management, and lack of packaging innovation are structural weaknesses that significantly hinder business development. The results of the study show that all business activities still depend on personal capital without external financing support. This condition limits the ability of businesses to invest in production, packaging, and promotional equipment.

These findings reinforce the results of Amelyawati et al.'s (2023) research which states that limited capital in micro enterprises leads to low capacity for innovation and adaptation to market changes. Thus, this internal weakness is the main factor that explains why Mandar's coconut oil business has not been able to significantly improve its business performance.

The results of the study show that there is a great opportunity for the development of Mandar's coconut oil business as consumer awareness of natural and healthy food products increases. Coconut oil produced without preservatives has added value that is relevant to healthy lifestyle trends. In addition, the character of the product as a typical local food opens up opportunities for the development of souvenir markets and regional culinary tourism.

These findings are consistent with Nitbani et al. (2022) who stated that coconut oil contains lauric acid that is beneficial for health, so it has the potential to be positioned as a health-based superior product. However, this opportunity has not been fully utilized due to weak marketing and business branding strategies.

The main threat faced by the Mandar coconut oil business comes from the dominance of the manufacturer's cooking oil which has a relatively stable price, long shelf life, and wide distribution. In addition, fluctuations in the price of coconut raw materials also increase business risks, especially for business actors with limited capital.

Rahman and Kandatong (2022) emphasized that the sustainability of the traditional coconut oil business is highly dependent on the ability of business actors to respond to market pressure through product innovation and differentiation. Without the right strategy, traditional businesses will be increasingly marginalized by large industrial products.

The results of the SWOT analysis placed Mandar's coconut oil business in the growth quadrant, which shows that the business has great internal strength and external opportunities. This position indicates that the most appropriate strategy is an aggressive strategy that is oriented towards business growth.

An aggressive strategy in this context does not mean large-scale expansion, but rather the optimization of internal forces to capture market opportunities. Improving packaging quality, brand development, and utilizing digital marketing technology are forms of implementing realistic aggressive strategies for household industry businesses. These findings are in line with research by Fitriani et al. (2023) which shows that strengthening marketing strategies and technology support can increase the competitiveness of the small-scale coconut oil processing industry.

Based on the results of the research and analysis discussion, the main solution to the problem of the Mandar coconut oil business lies in strengthening an integrated business development strategy. Access to capital through micro business financing schemes, such as People's Business Credit (KUR), is a strategic solution to overcome capital limitations. The additional capital allows business actors to improve packaging, procure more efficient production equipment, and implement product promotions.

In addition, increasing managerial capacity through marketing and business management training is an important solution to improve business performance. Rangkuti

(2013) emphasized that the success of business development strategies is highly determined by the ability of management to manage resources effectively and adaptively to environmental changes.

If the business development strategy is implemented consistently, the positive impacts that can be obtained include improving production performance, expanding market reach, and increasing the income of business actors. In addition, the sustainability of the Mandar coconut oil business can be maintained as part of the preservation of local products typical of the region.

Another impact is the increasing contribution of the Mandar coconut oil business to the household economy and the surrounding community. This is in line with the view of Evizal and Prasmatiwi (2021) who stated that strengthening local commodity-based businesses contributes to sustainable regional economic development.

Compared to previous research that generally focused on the technical aspects of production or business feasibility analysis, this study offers a novelty in a strategic approach that integrates SWOT analysis with business performance comprehensively. Previous research by Azis et al. (2020) and Fitriani et al. (2023) emphasized the importance of technology and training, but has not specifically linked it to the strategic position of businesses within the framework of growth.

The novelty of this research lies in mapping the position of the Mandar coconut oil business in the growth quadrant and the formulation of contextual development strategies according to the character of the household industry. Thus, this research provides a more applicable empirical contribution to the development of traditional coconut oil businesses in the region.

CONCLUSION

This study analyzed the development strategies for the Mandar coconut oil household industry in relation to its performance, successfully identifying real business conditions, problem-causing factors, and strategic opportunities while formulating relevant alternatives to enhance sustainability and competitiveness. Key findings revealed strong internal potentials—such as product quality, raw material availability, and consumer trust—but suboptimal performance due to limited capital, weak marketing, and low innovation in products and packaging; externally, trends toward natural and local foods offered untapped opportunities amid threats from dominant manufactured cooking oils. SWOT analysis positioned the business for growth by leveraging strengths to seize market opportunities, contributing contextually applicable strategies that enrich micro-business literature and demonstrate how traditional enterprises can thrive in modern competition—though limited to a single qualitative case study, results lack broad generalizability. For future research, a suggestion is to expand to multiple business units using mixed or quantitative methods with longitudinal tracking of strategy implementation impacts on performance.

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