

BENCHMARKING ANALYSIS FOR CASCARA DEVELOPMENT STRATEGY AT CHARISMA CHARITA MSMEs (MICRO, SMALL, MEDIUM, ENTERPRISES) IN CENTRAL ACEH REGENCY

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Abstract

Charisma Charita MSMEs (Micro, Small, Medium, Enterprises) is a business that produces coffee husk product "cascara", which is located in Berawang Dewal Village, Jagot Jeget District, Central Aceh Regency. The production of cascara in Charisma Charita is still low because it is not widely known by the public and product innovation is still minimal, especially in terms of variants, packaging and size. In addition, the promotion is also not optimal so the revenue obtained is still low. This research aims to conduct against similar competitors to find competitive advantages, then formulating development strategies using SWOT analysis. Based on the results of the IFE and EFE matrix analysis, it showed that Charisma Charita MSMEs is in quadrant III position which focuses on the W-O (Weakness-Opportunity) strategy and resulting 6 alternative strategies.

Keywords: Benchmarking, Cascara, Development Strategy, SWOT.

1. INTRODUCTION

Coffee is one of the superior commodities in Indonesia that is traded in the form of green beans (Fadli et al., 2021). Green beans are generally processed into powder coffee, instant coffee, and as food additives such as bread, dark chocolate, and jams. In addition to the green bean, there are several parts of the coffee fruit such as: beans, outer husk layer, horn skin layer, and epidermis (Panggabean, 2011). With the development of technology and innovation that is increasing rapidly, the waste of the outer layer of coffee husk can be processed into products that have economic value, one of which is cascara (coffee husk tea).

Cascara is a processed coffee husk product used to make tea drinks. Cascara contains many active components such as tannin 1.8-8.56%, pectin 6.5%, caffeine 1.3%, chlorogenic acid 2.6%, caffeic acid 1.6%, total anthocyanins 43% (cyanidin, delphinidin, cyanidin 3-glycoside, delphinidin 3-glycoside, and pelargonidin 3-glycoside). So cascara is effective for warding off free radicals, protecting the stomach, and is good for the skin to make it look tighter. The free radicals in cascara are perfect for helping to prevent the growth of cancer cells and increase endurance (Garis et al., 2019). Cascara products in Central Aceh Regency have been produced by Charisma Charita MSMEs since 2019.

Charisma Charita MSME is an integrated of Baitul Qiradh Cooperative (KBQ) Baburayan located in Berawang Dewal Village, Jagot Jeget District, Central Aceh Regency. Baitul Qiradh Cooperative (KBQ) Baburayan is a cooperative that focuses on processing and marketing green beans in Central Aceh District. The potential for cascara product development in Central Aceh Regency is great. This potential can be observed from the volume of coffee production in Aceh Tengah Regency of 29,627 tons in 2021.

The processing of coffee cherry into green beans results in a depreciation of around 60% of the total production. Accordingly, the total of coffee cherry that can be produced before processing is 74,068 tons in 2021. Every 1 kg of coffee cherry results in 13% to 14% cascara. This means that

the potential for cascara in Aceh Tengah District reaches 9,629 tons in a year. Cascara production in Central Aceh District from 2019 to 2021 is still 0.13% of the total potential, which means that the potential of cascara still has a great opportunity to be produced (Sales Report Charisma Charita MSMEs, 2021).

The current production of cascara is still small because the demand is still limited. The majority of the demand for cascara is dominated by consumers from overseas and the others come from local markets. The demand from local consumers for cascara is still relative small because cascara is not well known and interest by the general public. Most people are only familiar with tea drinks made from tea plants (*Camellia sinensis*). In addition, the innovation of cascara products produced is still low, especially in terms of variants, packaging and size, and the promotion carried out is also not optimal because it only depends on visitors who come in. Therefore, an effective cascara development strategy is needed to attract consumer interest to buying cascara so that it can increase sales and income for UMKM. The development strategy can be formulated by doing benchmarking first in advance against several similar competitors to serve as a reference in the development of cascara so that the resulting strategy is relevant and competitiveness. For that reason, the company chosen for benchmarking is PT Agritama Sinergi Inovasi (AGAVI). AGAVI was chosen as a comparison company because it has several advantages in terms of products, market share and marketing. So that the benchmarking process is conducted by looking at three aspects, product, market segmentation, and marketing.

Cascara products produced by Charisma Charita MSMEs currently have not been benchmarked. So it is expected that benchmarking can help UMKM to improve their performance and be able to deal with competitors, especially similar competitors. Therefore, the authors are interested in doing research related to "Benchmarking Analysis for Cascara Development Strategy at Charisma Charita MSMEs in Central Aceh Regency".

2. LITERATURE AND THEORETICAL REVIEW

Benchmarking is defined as a management tool used to analyze what, why and how great competitors or organizations are best at doing their business to satisfying customers and aiming to improve continuously in order to become a competitive business (Afiffey, 2008). It can be concluded that benchmarking is a method used by organizations to developing their business by looking at other better organizations as a reference and adjusting to the conditions of the organization. Benchmarking steps consist of: 1) recognizing the benchmarking company, 2) determining the comparison company, 3) determining and analyzing the advantages of the comparison company, and 4) recommending benchmarking results.

Strategy comes from the Yunani "strategos" and "strategia", which means the knowledge and art of the available resources of an enterprise to achieve certain desired goals (Nuroni & Adiguna, 2017). Meanwhile, development is any form of activity that aims to increase the profit, production, or service potential of the company. On the others, a development strategy is a set of goals, activities, planning and company activities aimed at identifying business opportunities in the market and maintaining business continuity to achieve business success (Fadli et al., 2020).

According to David (2009) SWOT is an important matching tool to assist managers in developing four types of strategies: SP (strength-opportunity) strategy, WO (weakness-opportunity) strategy, ST (strength-threat) strategy, and WT (weakness-threat) strategy. Then the SWOT

analysis is defined as an analysis of the organization using strengths, weaknesses, opportunities and threats from the environment (Sari, 2019).

3. IMPLEMENTATION METHOD

The location and object of research is Charisma Charita MSMEs, Berawang Dewal Village, Jagot Jeget District, Central Aceh Regency. The research scope includes benchmarking analysis for cascara development strategies at Charisma Charita MSMEs in Central Aceh Regency. The type of data used in this research is qualitative data. Data sources consist of primary data and secondary data. The analysis used is benchmarking and SWOT analysis.

Benchmarking

The stages in benchmarking are as follows:

1. Recognizing the benchmarking company

This stage aims to describe the general situation of MSMEs which is used as the basis for benchmarking reference.

2. Determining the comparison company

The second stage is to select and determine the company that will be the comparison, which is PT Agritama Sinergi Inovasi, Bandung.

3. Determining and analyzing the advantages of the comparison company

The advantages that will be analyzed from comparative companies refer to aspects of benchmarking which include product aspects, market segmentation, and marketing. Then benchmarking is combined with SWOT analysis to formulate a cascara development strategy by looking at existing internal and external factors so as to increase sales and income of Charisma Charita MSMEs in Central Aceh Regency.

4. Recommending benchmarking results.

The last stage is to recommend the results of benchmarking that has been conducted in relate with the conditions and needs of MSMEs. Implementation is conducted by changing or improving the performance of Charisma Charita MSMEs so that they can increase and better enable them to formulate a superior and competitive cascara development strategy.

SWOT Analysis

Analysis of Internal and External Environment

Analysis of the internal environment comes from inside the company which aims to determine the strengths and weaknesses that exist in the company. While the analysis of the external environment is a factor that comes from outside the company that affects the development of the company. (David dan David, 2017).

IFE and EFE Matrix

The IFE matrix is used to see the strengths and the weaknesses of the companies, while the EFE matrix is used to see the opportunities and threats that affect the company. The stages in identifying internal environmental factors and the external environment in the IFE and EFE matrices are as follows:

1. List the internal and external factors of the company's strengths and weaknesses, opportunities and threats.

2. Give each factor a weight ranging from 0.0 (not important) to 1.0 (very important). The weight given to each factor indicates the relative importance of that factor to the company's success in the industry. Factors that are considered to have the most influence on the company's performance should be given the highest weight. The sum of all weights should equal 1.0.
3. Give a rating of 1 to 4 for each factor based on its influence on the company's condition.
4. Multiply each weight on each factor by the rating to determine the weight score for each variable.
5. Sum the weighted scores of each variable to obtain the total weighted score of the organization.

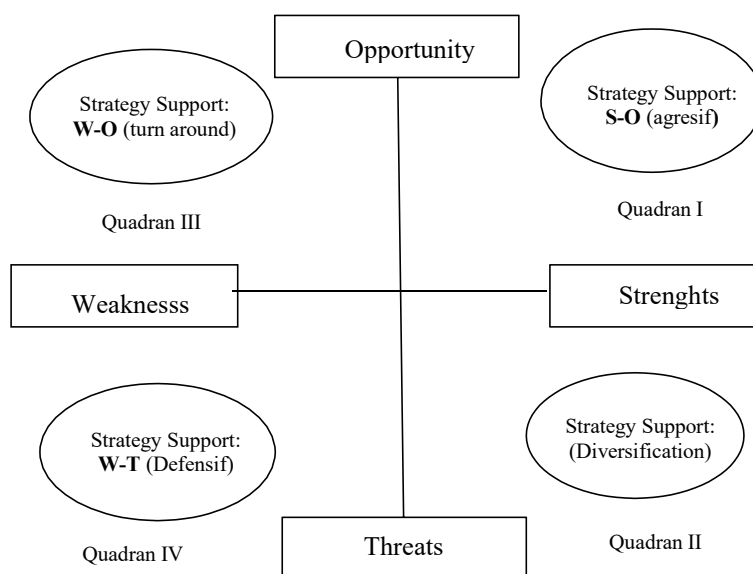


Figure 1. SWOT position matrix

SWOT Matrix

This matrix describes the opportunities and threats faced by the company and is adjusted to the strengths and weaknesses possessed by the company. The SWOT matrix will produce four possible alternative strategies.

4. RESULTS AND DISCUSSION

Charisma Charita MSMEs only has an innovative product made from coffee husk waste, which is cascara (coffee husk tea). Cascara is tea from dried coffee skins. The cascara processing is made by separating coffee beans and coffee husk using a pulper machine, then drying in a green house exposed to sunlight. The processing of cascara is conducted by coffee farmers assisted by Baburrayan Baitul Qiradh Cooperative (KBQ), then the packaging and further processing is carried out by MSMEs. In addition, Charisma Charita MSMEs also sell processed coffee products such as coffee roast beans, powder coffee, wine coffee, green coffee, and coffee flour.

AGAVI (PT. Agritama Sinergi Inovasi) is a company engaged in the Innovation of Agricultural and Food Product Processing which is used as a benchmarking company. AGAVI was established in 2019 starting as a food innovation company that produces tisane "Netisane" and agricultural education "Institut AGAVI". Netisane is AGAVI's tea/tisane brand made from coffee cherry skin (cascara). Tisane is a cascara-based tea that is combined with various other ingredients to create a special flavor, aroma and benefits.

Benchmarking assessment includes three aspects: product, market segmentation, and marketing.

1. Product

a) Product types

The types of cascara products that Charisma Charita MSMEs sells are original. The cascara comes from organic arabica coffee raw material sourced from farmers assisted by Baitul Qiradh Cooperative (KBQ) Baburrayan in Central Aceh District. Meanwhile, the type of cascara product by AGAVI is not only original but also sell in the form of tisane which is formulated with various ingredients in such a way that it has a healing and refreshing function. . AGAVI's Cascara is made from 100% local arabica coffee ingredients obtained from local farmer partners who work with AGAVI. This means that cascara products at Charisma Charita MSMEs and AGAVI have the same type of raw material, which is arabica coffee, but the types of products sold are a bit different.

b) Product forms

The cascara products sold by Charisma Charita MSMEs are original cascara which has a whole form (round) like the shape of cascara should be. Meanwhile, AGAVI sells cascara not only in its whole form, but also blended into coarse powder. This means that the form of cascara products at AGAVI is more varied than the Charisma Charita MSMEs.

c) Comparison of product prices

The cascara products owned by Charisma Charita MSMEs and AGAVI have the same size, but there are differences in price. The price of cascara at Charisma Charita MSME is IDR 10,000 while the price of cascara at AGAVI is IDR 50,000. So that the price difference between the two is IDR 40,000. This means that the price of cascara at Charisma Charita MSMEs is much lower than AGAVI. This is certainly an advantage for Charisma Charita MSMEs.

d) Comparison of product variations

Comparison of product variations between Charisma Charita MSMEs and AGAVI can be seen in table. 1.

Table 1. Comparison of product variations of Charisma Charita MSMEs and AGAVI

UMKM Charisma Charita				
No.	Name of Product	Size	Unit	Packaging
1.	Cascara	100	gr	pouch
AGAVI (Netisane)				
No.	Name of Product	Size	Unit	Packaging
1.	Just Me, Original	275	ml	Glass bottle
2.	Buzzi Mint	275	ml	Glass bottle
3.	Gingerlicious	275	ml	Glass bottle
4.	Lemon Breeze	275	ml	Glass bottle
5.	Milk Tea	275	ml	Glass bottle
6.	Cassandra (Cascara Syrup)	250	ml	Glass bottle
7.	Cascara Original (Loosessachet)	5	Gr	Sachet
8.	Tea Bags Original	10	Gr	Sachet
9.	Tea bags Signature Blend	5	Gr	Sachet
10.	Tea Blend Series	5	Gr	Sachet
11.	Cascara Original (Loose Pouch)	100	Gr	Pouch

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12.	Cascara Original	25	Gr	Mini tin
13.	Cascara Signature Blend	12,5	Gr	Mini tin
14.	Tea Blend Series	12,5	Gr	Mini tin
15.	Cascara Original	50	Gr	Big tin
16.	Cascara Signature Blend	30	Gr	Big tin
17.	Tea Blend Series	30	Gr	Big tin
18.	Cascara Signature Blend (Loosetea)	30	Gr	Jar
19.	Tea Blend Series (Loose tea)	30	Gr	Jar
20.	Damai Loose Tea	15	Gr	Jar

Source: Primary data (2023)

Charisma Charita MSMEs only has one variant of cascara products, while AGAVI has various variants of cascara products with different names. Then in terms of product size, Charisma Charita MSMEs only have one type of size, which is 100 gr, while AGAVI has various types of product sizes from the smallest, which is 5 gr and the largest is 100 gr. Next, in terms of packaging, the products sold by Charisma Charita MSMEs are packaged in pouches made from aluminum foil. Meanwhile, AGAVI uses a variety of different types of packaging including: bottles, pouches, sachets, jars and tins. Types of bottle and jar packaging are made from glass, pouches and sachets are made from aluminum foil, and tin is made from boxes and cans. This means that AGAVI is far superior than Charisma Charita MSMEs in terms of product variants.

2. Market segmentation

The market segmentation of Charisma Charita MSMEs refers to middle to lower class consumers who are at local and international markets. The local area includes all regions of Indonesia, especially the islands of Sumatra and Java. Meanwhile, AGAVI refers to consumers who have middle to high income who have geographical segmentation including big cities in Indonesia, especially Java Island, which has buying capacity, interest and prioritizes practicality in fulfilling their life needs.

3. Marketing

Marketing of cascara products in Charisma Charita MSMEs uses offline and online systems. Offline sales are conducted at Charisma Charita MSMEs and Baitul Qiradh Cooperative (KBQ) Baburayan, Central Aceh Regency. Then, online sales currently only use social media such as WhatsApp. Consumers usually order by contacting the Charisma Charita MSMEs from telephone on WhatsApp.

In addition, Charisma Charita MSMEs also offers opportunities for resellers and investors who want to join and cooperate with several stakeholders such as coffee shops in Central Aceh Regency. Meanwhile, AGAVI conducts offline sales through its cafe, Caspresso, located at Surapati Core Blok M No.30 Lt.2 Bandung City. AGAVI also sells online using social media such as Instagram, WhatsApp, Tiktok and Facebook, and sells in various marketplaces such as Shopee, Tokopedia, Go food, and blibli.com. In addition, agavi also cooperates with various partners such as several coffee shops and other stores.

The results of the SWOT analysis showed that the position of Charisma Charita MSMEs was in quadrant III (supporting the W-O strategy). This means that Charisma Charita MSMEs have great opportunities but there are weaknesses from an internal perspective. For this reason, the

focus of the Charisma Charita MSMEs development strategy is to take advantage of existing opportunities by minimizing the various weaknesses that are owned, so that the strategy used leads to the W-O (Weakness-Opportuniy) strategy, which is creating strategies to minimize and improve the weaknesses of Charisma Charita MSMEs by taking advantage of existing opportunities.

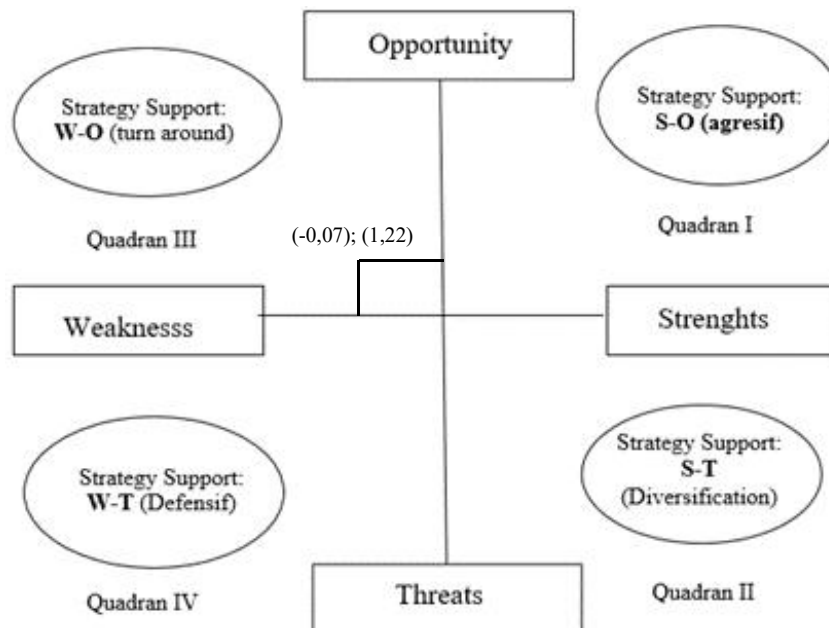


Figure 2. SWOT position matrix in Charisma Charita MSMEs

The alternative development strategies that can be implemented by Charisma Charita MSMEs are as follows:

- 1) Increasing the variety of flavors by adding other suitable ingredients and increase the variety of forms and packaging such as tea bags, tea sachets, and instant tea (bottles, cans, boxes), to make more innovative and diverse product development by utilizing assured raw materials.
- 2) Implementing digital marketing to market and promote online in various marketplaces such as marketplaces such as Shopee, Tiktok, Lazada Tokopedia, etc.
- 3) Conducting offline promotions (socialization, bazaars, and exhibitions) and online (social media or websites) to introduce cascara and share information about the benefits of cascara which has a high antioxidant and good for health.
- 4) Conducting market research to expand market share through the internet, social media, etc.
- 5) Developing and improve packaging design to be more attractive in terms of form, color, image, label, etc., to give a positive influence and increase consumer purchasing power.
- 6) Using more modern tools and machines, such as drying machines to speed up the drying process and improve hygiene.

5. CONCLUSION

Benchmarking results showed that from the product aspect, the variants of products at Charisma Charita MSMEs were not diverse in terms of size, packaging and price compared with AGAVI. Then, the market segmentation aspect showed that Charisma Charita MSMEs and AGAVI have different market segments. However, in terms of geography, AGAVI's market segment is more extensive than Charisma Charita MSMEs. UMKM Charisma Charita still distributes their products in some areas on the islands of Sumatra and Java, while AGAVI has been distributing their products to many cities in Indonesia. Moreover, from the marketing aspect, Charisma Charita MSMEs are still not optimal in marketing their products. Marketing is done only conventionally, has not relied on digital media. Meanwhile, AGAVI has advantages in terms of marketing, which is able to utilize online or internet media, such as social media and marketplaces, so that it can get more income.

Alternative strategy recommendations from the results of benchmarking that can be implemented by Charisma Charita MSMEs are obtained by six alternative strategies, such as: 1) increasing the variety of flavors by adding other suitable ingredients and increase the variety of forms and packaging such as tea bags, tea sachets, and instant tea (bottles, cans, boxes), to make more innovative and diverse product development by utilizing assured raw materials, 2) implementing digital marketing to market and promote online in various marketplaces such as marketplaces such as Shopee, Tiktok, Lazada Tokopedia, etc, 3) conducting offline promotions (socialization, bazaars, and exhibitions) and online (social media or websites) to introduce cascara and share information about the benefits of cascara which has a high antioxidant and good for health, 4) conducting market research to expand market share through the internet, social media, etc, 5) developing and improve packaging design to be more attractive in terms of form, color, image, label, etc., to give a positive influence and increase consumer purchasing power. 6) Using more modern tools and machines, such as drying machines to speed up the drying process and improve hygiene.

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