

ASPECTS OF PRODUCTION AND MARKETING BUSINESS FEASIBILITY TOFU AND TEMPEH MSMEs

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Abstract

This study aims to analyze the production and marketing aspects as key indicators of business feasibility for tofu and tempeh MSMEs (Micro, Small, and Medium Enterprises) in Teja Village, Pamekasan Regency, Indonesia. The business involves traditional soybean processing into high-value food products while maintaining a strong market orientation. Based on field observation and interviews, the enterprise operates four times a week, producing approximately 30 kg of tofu and 30 kg of tempeh per day. With an initial capital of less than IDR 50 million, it qualifies as a micro-enterprise. This study employs a qualitative descriptive approach, utilizing SWOT analysis and a basic feasibility analysis based on production efficiency, market potential, and direct marketing strategies. The findings reveal that the business is feasible and promising for further development, especially due to stable local demand and low per-unit production costs. These insights offer valuable contributions to MSME development strategies that leverage local potential and operational efficiency. The study recommends adopting digital marketing innovations and modernizing equipment to enhance competitiveness and expand market reach.

Keywords: MSMEs, tofu and tempeh, production, marketing, business feasibility

Abstrak

Penelitian ini bertujuan untuk menganalisis aspek produksi dan pemasaran sebagai indikator kelayakan bisnis pada UMKM tahu dan tempe di Desa Teja, Kabupaten Pamekasan. Usaha ini merupakan bentuk pengolahan kedelai menjadi produk pangan bernilai jual tinggi yang dilakukan secara tradisional, namun tetap berorientasi pasar. Berdasarkan hasil observasi dan wawancara, diketahui bahwa produksi dilakukan empat kali dalam seminggu, dengan output rata-rata per hari mencapai 30 kg tahu dan 30 kg tempe. Modal usaha yang digunakan berada di bawah Rp50 juta, sehingga tergolong sebagai UMKM mikro. Penelitian ini menggunakan pendekatan deskriptif kualitatif dengan teknik analisis SWOT dan analisis kelayakan sederhana berdasarkan efisiensi produksi, potensi pasar, dan strategi pemasaran langsung. Hasil analisis menunjukkan bahwa usaha ini layak untuk dijalankan dan dikembangkan, terutama karena kestabilan permintaan pasar lokal dan rendahnya biaya produksi per unit. Temuan ini memberikan kontribusi penting dalam merancang strategi pengembangan UMKM berbasis potensi lokal dan efisiensi produksi. Rekomendasi penelitian menekankan pada perlunya inovasi pemasaran digital dan peningkatan kapasitas produksi melalui modernisasi peralatan agar dapat meningkatkan daya saing dan memperluas pangsa pasar.

Kata kunci: UMKM, tahu tempe, produksi, pemasaran, kelayakan bisnis

Introduction

MSMEs engaged in soybean processing, especially tofu and tempeh production, are one of the important pillars in the food supply chain of the Indonesian people. Tofu and tempeh are not only an affordable source of plant-based protein for all levels of society, but also have cultural value that has been inherent in people's consumption patterns since ancient times. In Teja Village, Pamekasan Regency, the tofu and tempeh business is managed by local artisans on a micro scale, but shows consistency in the production and distribution of their products to the local market. The uniqueness of tofu and tempeh MSMEs lies in the traditional approach that is still maintained in the production process. The process of fermenting tempeh and compaction of tofu still uses manual techniques, which not only maintain the authentic taste but also reflect local wisdom in food processing. The sustainability of this venture depends not only on technical skills but also on the ability to navigate market challenges and fluctuating production costs.

Analysis of business feasibility in the tofu and tempeh business is important to find out whether this business activity can be maintained and developed in the long term. With an initial capital of less than IDR 50 million and a production rate of 30 kg for each product four times a week, an analytical approach is needed that considers aspects of production, cost, marketing, and potential demand. This is important so that artisans not only survive, but can compete and grow sustainably. The urgency of feasibility studies is increasingly relevant in the context of globalization and digitalization, which have also changed consumer behavior. Traditional MSMEs are often lagging in taking advantage of digital market opportunities, even though products such as tofu and tempeh have great potential to reach a wider market through the right marketing strategy. Therefore, this study also emphasizes the importance of integrating efficient production and marketing strategies (Marlina, 2021; Sharma dkk., 2021; Siregar dkk., 2023)

Several previous studies have discussed the feasibility of tofu and tempeh businesses in the local context. A study by Utomo dkk., (2023) shows that tofu tempeh MSMEs in Sleman are worthy of development because they have positive NPV and B/C ratio values. They also note that production efficiency and marketing management play an important role in business profitability. Another study by Santos dkk., (2022) that the feasibility of the tempeh business is greatly influenced by soybean price stability, production capacity, and local marketing strategies (Kunaifi et al., 2023). They underlined that MSMEs need to innovate in diversifying products and distribution channels. Meanwhile, a study from Nurhayati in the Scientific Journal of Management shows that the marketing aspect is a major challenge for processed food MSMEs, especially due to limited access to technology and digital promotional media. Local community involvement and cooperation with digital platforms are potential solutions in reaching a wider market (Nurhayati, 2018).

From these studies, it can be concluded that the business feasibility of tofu and tempeh MSMEs is not only determined by capital and production skills alone, but also by the ability to adapt to market dynamics and the effectiveness of marketing strategies (Anzitha, 2019; Kapustina dkk., 2021). Therefore, this study takes a feasibility study approach from the production and marketing aspects to get a complete picture of the prospects of tofu and tempeh businesses in Teja Village, Pamekasan. By looking at local realities and the results of previous research, this study has the urgency to provide policy recommendations and practical strategies in the development of tofu and tempeh MSMEs. It is hoped that this business can not only survive during competition and economic dynamics, but also be able to improve the welfare of business actors and their contribution to local food security.

Based on the background that has been presented, the formulation of the problem in this study can be formulated as follows: 1) What are the characteristics and production processes of tofu and tempeh in MSMEs in Teja Village, Pamekasan? 2) What is the marketing strategy implemented by the tofu and tempeh business actors? 3) To what extent is the tofu and tempeh business economically feasible to be developed based on production and marketing analysis? And 4) What are the challenges and opportunities faced by tofu MSMEs in increasing competitiveness and business efficiency? The objectives of this study are as follows: 1) Describe in detail the production process of tofu and tempeh carried out by MSMEs in Teja Village, 2) Analyze the marketing strategies used in the business and the extent of their effectiveness. 3) Evaluating business feasibility in terms of production efficiency and local market potential, and 4) Providing strategic recommendations for the development of tofu and tempeh businesses based on business feasibility studies and local potential.

Research Methods

This study uses a qualitative descriptive approach to describe and analyze the feasibility of tofu and tempeh MSME businesses based on production and marketing aspects. This approach was chosen because it is appropriate to explore the phenomenon in depth based on the social and economic realities that occur in business actors in the field, especially to understand the production process, marketing strategy, and business feasibility assessment from a practical and contextual perspective. The research location was conducted in Teja Village, Pamekasan Regency, which is one of the micro-scale tofu and tempeh production centers in Madura. The main subject in this study is a micro business actor who produces tofu and tempeh independently with a fixed production scale, namely 30 kg of tofu and 30 kg of tempeh per day, for four days a week. The initial capital of the business is below IDR 50 million, which makes it included in the micro MSME category.

The data collected in this study consists of two types: 1) Primary data, obtained through direct observation to the production site and semi-structured interviews with business owners. Observations are focused on the production process, tools used, raw material management (soybeans), production quantity, and the distribution process. The interview was directed to obtain information related to

marketing strategies, challenges faced, and actors' views on potential business development. 2) Secondary data, obtained from relevant literature such as scientific journals, MSME study reports, and other references related to business feasibility analysis and food product marketing strategies. Some of the journals that are used as references include research by (Redjeki & Affandi, 2021; Rozzaqi, 2022), as mentioned in the introduction.

Three main techniques are used in data collection: 1) Participatory observation, where researchers are directly involved in observing tofu and tempeh production activities, starting from soybean selection, fermentation process, printing, to packaging. 2) Semi-structured interviews, to obtain narrative data regarding marketing strategies, operational constraints, business planning, and business actors' expectations for their business development. 3) Documentation, to collect visual and administrative evidence such as production records, raw material purchases, and operational expenses. Data was analyzed using two main approaches, namely: Qualitative Descriptive Analysis, used to describe the production and marketing process narratively based on the results of observations and interviews. The findings are organized based on themes such as production capacity, product distribution, consumer patterns, and the strengths and weaknesses of marketing strategies. A simple feasibility analysis involves identifying production costs and operating income based on average estimates per week. Although no complex financial feasibility calculations (NPV, IRR, etc.) were performed, the analysis still took into account cost efficiency per unit, profit margin, and stability of local market demand. In addition, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is also used to assess the competitive position of the business and its development potential.

Business feasibility assessment is carried out simply but comprehensively based on several key indicators: Technical feasibility, which is the ability of the business to maintain production consistently and efficiently with the available tools and skills. Economic feasibility is the comparison between costs and outcomes (simple profitability). Market feasibility, namely the stability and market absorption of tofu and tempeh products. Strategic feasibility is a business opportunity to be developed through marketing improvements and innovation. To maintain the validity of the research results, technical triangulation is carried out, which involves comparing the results of observations, interviews, and documentation to ensure data consistency. In addition, the researcher also clarifies directly with business actors if discrepancies or discrepancies are found in the data during the analysis process.

Results and Discussion

Micro and Small Enterprises (MSEs) are an integral part of the national and regional economic structures that have a strategic contribution to job creation, poverty reduction, and income equity. Theoretically, MSEs can be understood in the framework of a people's economy that places small business actors as the main actors in encouraging local community-based economic dynamics

(Rahman & Kunaifi, 2022). In the theory of regional economic development, MSEs play a role as the driving force of the local economy through the use of local resources, the creation of added value, and the increase in productivity of the informal sector. At the national level, MSEs contribute more than 60% to Indonesia's Gross Domestic Product (GDP) and absorb more than 97% of the workforce (Ministry of Cooperatives and SMEs, 2023). This shows that MSEs have high resilience in the face of crises, due to their flexibility and adaptability to market changes and capital limitations. From a regional economic perspective, MSEs are an important instrument in increasing local economic growth, strengthening regional economic structure, and reducing gaps between regions (Zahara et al., 2023).

In addition, MSEs also play a role in strengthening national economic resilience through the development of an entrepreneurship-based economy. They encourage the creation of local product innovation, diversification of community sources of income, and strengthening the domestic market. In the context of sustainable development, MSEs contribute to the achievement of the SDGs (Sustainable Development Goals), especially in the areas of poverty alleviation, decent work, and inclusive economic growth. (Missaoui et al., 2025). Thus, strengthening the capacity of MSEs through affirmative policies, access to capital, digitalization, and business assistance is crucial to encourage a more independent, resilient, and equitable transformation of Indonesia's economy. The tofu and tempeh business is a household business that has been managed since 2005 until now, which is located in Teja Village, Pamekasan District, Pamekasan Regency. To produce his business, the owner is only assisted by 6 employees who work and never settle, so the business owner always changes employees. Dewi & Hakiki, (2023) said that what has been researched in this aspect is about the business location, the determination of the layout of the machine warehouse, and the equipment and layout of the room for the expansion business.

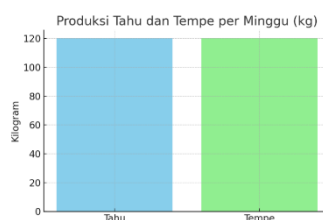
The location of this Tofu and Tempeh Business is in Teja Pamekasan Village. The location of this business production house is very strategic because it is on the side of the road in Teja village. The production place of this business is not separate from the owner's house. So, this business is said to be feasible because the business location is easy to reach for consumers. The technology used in this business is as follows: 1) A Grinding Machine Used to grind soybeans in the act of tofu. 2) Chopper Machine Used to break down soybeans to separate them from their dry husks for tempeh production. The production process in this business is carried out every week. For tofu production is carried out 5 times a week, while for tempeh production is carried out every day, because the production of tempeh takes a long time, see figure 1 below. The form of the producer market for the Tofu and Tempeh Business is a perfectly competitive market. The consumers chosen are the sales market through distributors and direct sales, because the tofu and tempeh business has a permanent production site for the marketing of its products. Regarding competition, so far, competition between

tofu and tempeh entrepreneurs has not been felt to be an obstacle. This is because of the limited production of the Tofu Business in Pamekasan District, so the market opportunity for this business can be said to be still large. The marketing strategy carried out by e-owned and tempeh in Teja Village markets its products as follows:

This business processes soybeans into food ingredients for consumption, such as Tofu and Tempeh. The main ingredient used is soybeans, plus special yeast for both products. In order for consumers to be satisfied and not disappointed, business owners implement product strategies by choosing high-quality raw materials, so that the resulting taste is maintained. In addition, proper processing methods and appropriate dosages are also applied so that the taste of the product is not negatively affected. In determining the price, the owner considers various factors, especially production costs that include the procurement of imported quality raw materials. The selling price set is IDR 1,000 for 1 piece of tofu, while tempeh is priced with two size options, namely large size 1 pack for IDR 15,000, and small size 1 pack for IDR 5,000. This price setting has taken into account the cost of raw materials, labor wages, and the profits to be obtained. With an affordable price, this business is considered feasible and able to reach a wider audience.

The distribution channel of tofu and tempeh products is carried out directly from the production house by depositing products at several vegetable stalls in Teja Village and around Teja Village. In addition, sales are also carried out in the market at certain times, namely three times a week. This business managed to sell 18 buckets of tofu and 35 kg of tempeh, while in the Serang market, 5 buckets of tofu and 5 kg of tempeh were sold. With a distribution that already covers a fairly large area, this venture can be considered feasible. At the beginning of the establishment of this business, there were still many people who did not know. In the past, the owner only consumed himself, but over time, the owner had the intention to develop again. With that, the owner began to offer his products in stalls around his house, or was often called from mouth to mouth. Then the owner also tries to sell his products by selling them in the market. As time goes by, the products of this business begin to be recognized by many people, and more and more demand and consumers.

Figure 1. MSME Tempeh Tofu Production Volume in Teja



Source: Observation data and interviews were processed.

The results of observations, as shown in Figure 1 above, show that the production of tofu and tempeh is carried out four times a week. Every day, business actors produce about 30 kg of tofu and 30 kg of tempeh each. The total weekly production reached 120 kg for each product, indicating

stability in production capacity. The production process is carried out manually using simple tools. To know, the process starts from soybean boiling, grinding, reboiling, filtering, and printing. Meanwhile, tempeh goes through the stages of soaking, peeling, boiling, yeast inoculation, and fermentation. The main raw material used is imported soybeans due to their availability and more stable prices. The price of soybeans ranges from Rp10,000-Rp11,000 per kg. In one production, an average of 30 kg of soybeans is used for each product.

Operational costs per week consist of the purchase of raw materials, LPG gas costs, family labor, and transportation. The estimated total production cost per week ranges from IDR 2,000,000 to IDR 2,500,000. The selling price of tofu and tempeh is around IDR 8,000 – IDR 10,000 per kg in the local market. With a production of 120 kg/week, the estimated gross income ranges from IDR 960,000 to IDR 1,200,000 for each product. The distribution of products is carried out directly to traditional markets in Pamekasan and through regular orders from household customers and food stall traders. The main marketing strategy is word of mouth and long-term relationships with regular customers. There has been no use of digital media or branded packaging. Business owners stated that the main challenges are fluctuations in soybean prices and limited production equipment. However, market demand tends to be stable, especially on weekends. In general, these businesses show operational efficiency and income stability, although they are still traditional and have minimal technological innovation.

Table 1. Analysis of Estimated Costs and Income of Tofu and Tempeh Production per Week

COMPONENT	AMOUNT (RP)
SOYBEANS (60 KG X IDR 10,000)	600.000
GAS LPG & AIR	150.000
WORKFORCE (FAMILY)	400.000
TRANSPORT AND DISTRIBUTION	150.000
TOTAL PRODUCTION COST	1.300.000
INCOME (240 KG X IDR 9,000)*	2.160.000
NET PROFIT	860.000

Note: 240 kg is a combination of tofu and tempeh per week.

Source: primary data processed.

Production results, as shown in Table 1, show that business actors can maintain the stability of weekly output, which is a positive indicator in terms of technical feasibility. Constant production is the main force in maintaining constant customer loyalty. Even though manual equipment is still used, production efficiency is maintained thanks to the experience and skills possessed by business actors. However, the unautomated production process makes it difficult to scale. In terms of cost, this

business shows efficient financial management. With a weekly operating capital of around IDR 1.3 million and gross income of more than IDR 2 million, the net profit margin reached more than 60%.

Stable market demand, especially from household customers and small traders, indicates that the market viability of this business is quite high. Tofu and tempeh products are staple needs that continue to be sought. Traditional marketing strategies have proven to be still relevant, but they have limitations in reaching new markets. The absence of the use of digital media causes market share to tend to stagnate. Based on the SWOT analysis, the main strengths of this venture are low costs and strong customer relationships. The weakness lies in the production and marketing equipment that is not yet modern. The opportunity lies in increased branding and digitalization of marketing, while the threat comes from fluctuations in soybean prices and new competitors.

This business has the potential to be further developed if owners start utilizing simple technologies such as vacuum packaging tools, product labels, and marketing through social media. Expanding distribution through trading partners or resellers can also be a strategy to increase sales volume without having to drastically increase production. With a capital of less than IDR 50 million, this business is very feasible to be financed by MSME or cooperative financing programs. If seriously incubated by local governments or partner campuses, this venture can be an example of a resilient and sustainable local community-based MSME model.

Conclusion

Based on the results of the research that has been carried out, it can be concluded that the tofu and tempeh micro business in Teja Village, Pamekasan Regency, is a form of people's economic activity that has a good level of feasibility in terms of production and marketing. This business is able to produce around 30 kg of tofu and 30 kg of tempeh every day, four times a week, with a total production of 240 kg per week. Although the production process is still traditional, time and cost efficiency can still be achieved through the experience and skills possessed by business actors. In terms of costs and revenue, this venture shows significant profit margins. With a weekly production cost of around IDR 1,300,000 and gross income of around IDR 2,160,000, business actors can earn a net profit of around IDR 860,000 per week. This shows that the business is economically feasible and has the potential to be further developed, especially for the improvement of household welfare and local economic empowerment.

Market demand for tofu and tempeh products also tends to be stable, especially from household consumers and food stall traders. However, in terms of marketing, this business still relies heavily on conventional methods in the form of direct relations and word-of-mouth promotion. There has been no innovation in terms of packaging, branding, and the use of digital media to expand the market. In addition, limited capital and equipment are also obstacles to increasing production scale and competitiveness. Overall, this tofu and tempeh business shows great potential to be developed into a

more modern and wide market-oriented business unit, while maintaining traditional values and the quality of local products, which are its competitive advantage.

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